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APPENDIX.

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# APPENDIX

## TO THE

# CONGRESSIONAL RECORD.

Amnesty and the Jefferson Davis amendment.

### SPEECH OF HON. THOMAS L. JONES, OF KENTUCKY,

IN THE HOUSE OF REPRESENTATIVES,

January 13, 1876,

On the bill (H. R. No. 214) to remove the disabilities imposed by the third section of the fourteenth article of the amendments of the Constitution of the United States the pending question being on the motion of Mr. BLAINE to reconsider the motion by which the bill was rejected.

Mr. JONES, of Kentucky. Mr. Speaker, I am happy in the opportunity once more to raise my humble voice for governmental amnesty to all my countrymen. I had the honor to serve in the Fortieth and Forty-first Congresses of the United States, and it was among my first acts in the Fortieth and my very last in the expiring hour of the Forty-first to offer a resolution for general and complete amnesty. I thank God, sir, and I thank the American people, that the popular branch of their Government is at length, I hope, enabled to vote complete amnesty and oblivion for all political offenses. A gracious Providence has changed the hearts of our people, has smoothed down the asperities of their rugged nature, and turned them once more to words and acts of brotherly kindness and affection. The time has come, sir, when we can look the sun and the world in the face and speak justice and truth without fear of assault or insult. Happy, happy indeed, sir, should we be in this return of fraternal feeling to hail and welcome with universal acclaim the centennial of our country's independence and glory. Universal acclaim did I say, sir? I would fain hope for it.

But I am reminded of the substitute offered by the distinguished gentleman from Maine, in which he makes, I had almost said an invidious exception, that mars the general harmony which was pervading the land. I had not believed it in his heart thus to express himself, and I had certainly thought better of his policy and wisdom. He is a representative man of his section, and even aspires to the chief dignity of his country. I would ask that gentleman, Why, why make this exception? What has Jefferson Davis done more than his fellows and comrades in their great struggle for separate government and independence? What crime, if crime at all, has he committed that they have not committed? And I speak, sir, not only of the leaders in that struggle, but of the people in their sovereign capacity. "*In illos convertere ferrum adsunt qui fecerunt.*" It was they who first moved for rebellion and war; they commanded and appointed their leaders; they were before them in the inception of the struggle, and with impetuous and irresistible spirit ordered them to lead in the march. They unfortunately esteemed it their right to do so; they were educated in that political school and belief. Then, sir, if the gentleman and his friends (I hope indeed few) must still pour out the vials of wrath and pronounce excommunication upon the primal and real offenders, let them do it upon the whole Southern people, and not with exceptional revenge upon the frosted and sorrowed head of their still honored chief.

Why, sir, look around; here sit among us, welcomed with open hands and hospitable greetings, brave and gallant men, who stood side by side with Jefferson Davis in council and marched and fought and bled at his command and under his order. The Constitution of our country, by its amendments, supported and passed by the gentleman's own voice and vote, has entitled these men to their seats on this floor; and I cannot believe, Mr. Speaker, that he intended by his unfortunate exception to give affront to them, his peers in the American House of Representatives. And yet it must be so felt, sir. They have the forbearance, the courtesy, perhaps, the wisdom, commendable indeed, to pass it by in silence. But I know they must feel it sting in their hearts. Should I properly characterize the gentleman's substitute I would pronounce it an insult to every true man, woman, and

child in the South. I love that people, sir; I am their "kith and kin," born and reared among them, and in a political sense, as it were, in the very heart of the South. I revere their great names and their great history; and if I should ever attempt to speak to their disparagement may my utterances freeze upon my lips. If they have committed a great wrong, greatly have they repented it: in sackcloth and ashes they have atoned for it. But, however mistaken in judgment, however disastrous to them their late struggle, you, their conquerors, and the civilized world must admit that it was one of the grandest that ever immortalized the virtue and fortitude of woman or the courage and endurance of man.

Sir, I deeply regret the character of this debate. But who is responsible for it? Who gave its peculiar and direful complexion? Is it the distinguished son of Pennsylvania, the "Keystone of the Federal arch," the great State which has done so much and so grandly to promote the centennial celebration by a united people at the cradle of American liberty and union? Has it been reserved for him to exhume the dead and buried past, and especially to present in the dread ceremonies of the grave the unfortunate prisoners of the late civil war, with all the horrible circumstances attending their death, in order only, it must appear, to re-open the closing wounds and re-inflame the hearts of a forgiving and forgetting people? Sir, if the spirit which the gentleman has manifested in this debate pervades the people of the North, the Centennial would be a mockery and a disgrace upon the civilization of the age. But, sir, I will not believe it. I pity him and I shall yet respect them. Why, sir, there are those of us on this floor who, if disposed and had the opportunity, could unfold scenes of hardships and cruelties in northern prisons which would harrow up the very soul; scenes of inhumanity unworthy of earth, and which cried to heaven. But, sir, we would perform no such office, much less would we hold Abraham Lincoln, the then President of the United States, responsible for these crimes. They were perpetrated by baser and menial hands. We had the sense and the charity to look upon them then, and we look upon them now, as the consequences and the legitimate fruits of dreadful war. May we not plead, sir, for the same consideration and charity from those of like experience on the other side? Let us no longer sow dragon's teeth, but the seeds of repentance and love, and let our grand celebration, if it be at all, be penitential as well as centennial.

Jefferson Davis, sir, was born in Kentucky. She cherished her son in the days of his early manhood, and she will not now, in the gloomy evening of his checkered life, disown or dishonor him. He bore an honored name in this Republic before the days of secession. He portrayed its eloquence and its courage in the council and in the field. He spoke and fought and bled for his country's glory, of which you are so justly proud. He was one of the greatest ministers of war the Republic ever had, and it was his clarion voice and noble bearing that inspired his Mississippi riflemen with the daring courage to drive the furious charge at Buena Vista, which, as it were, snatched victory from defeat, and crowned the American arms with one of the greatest battles of the world. He stood at his place in the other Chamber of this Capitol, a great and honored Senator, and mourned almost in tears his departure from those walls. But his State commanded and he felt bound to obey. The world knows his after-life, and the world at large respects him. He has expiated in your dungeons, in chains, and by all manner of degradation attempted upon him, his own offenses and those of his people; and now, although bereft of fortune, his eye dimmed, and his head bowed by age, still bearing bravely up, loyal to the old flag for which he once fought so nobly—doing all he can to instruct and enlighten our people, to develop the resources and to promote the wealth and the fame of our common country.

Is there no mercy left for him? Has the gentleman from Maine read history in vain, and has he no forecast of the future? Let him remember the noble acts of noble conquerors to the conquered through all time; let him remember the civil wars, the rebellions, if you please, on the continent of civilized Europe, and he will find that the great names on both sides are treasured up in the minds and hearts of

future generations, a common heritage to a common people. Are not the names of Caesar and Pompey honored alike by the descending ages of Rome? Are not the Legitimists and the Pretenders, the Bourbons and the Bonapartes held in common renown by all Frenchmen? And the Round Heads and the cavaliers, Cromwell and Charles, honored alike by all Englishmen? Let me tell the gentleman that the time will come, perhaps near at hand, when the names of Grant, and Sherman, and Sheridan, and Lee, and Jackson, and Breckinridge—yea, sir, of the martyred Lincoln, and the now insulted Jefferson Davis—will be read with common pride and common respect by the American youth, and the last may be honored as much as the first? Such is history and such the nature and character of man. I speak thus in no invidious sense or with sectional feeling. I love my whole country. Thank God, sir, there are no Alleghanies, no Potomacs, or dividing lines in my politics. I yield to none in appreciation of the common glory of my country and in meting out ample praise and justice to all its heroes and all its people.

I pray you, sir, let us take our lessons from the spirit and preaching of the Divine Master. His mercy and love extended to all, from the good Mary to the wretched Magdalene, from the beloved disciple to the Jew of Tarsus. Why, the gentleman from Maine would have had the Christ to have rejected Paul because he had been the chief of sinners, and yet he did most and best to promote the greatness and glory of his once-persecuted Lord. I implore the gentleman, in the name of charity, in the name of peace and harmony in this blessed year of our history, in the name of patriotism and union, to strike from his substitute the invidious exception, that it may be no more read by human eyes. Let our amnesty be as broad and free as the air we breathe; like the mercy of God, let it be for all.

The quality of mercy is not strain'd;  
It droppeth, as the gentle rain from heaven,  
Upon the place beneath: it is twice bless'd;  
It blesseth him that gives, and him that takes;  
'Tis mightiest in the mightiest; it becomes  
The throned monarch better than his crown.

The olive-branch often becomes authority better than the sword. I rejoice to say, sir, that, in the noble State which I have in part the honor to represent, the animosities and distinctions engendered by the late war are well-nigh forgotten and buried in oblivion. The Federal and confederate soldiers have there embraced, and they have been promoted by the common suffrages of the people to the high offices of state, where they stand side by side in the earnest endeavor to build still higher the fame of the commonwealth; hand in hand they verify and illustrate the beautiful motto of Kentucky: "United we stand, divided we fall." So may it be here, sir, at the Capital of the great Republic. So may it be in every State—North, South, East, and West—of our glorious Union. "United we stand, divided we fall."

#### Centennial Celebration of American Independence.

### SPEECH OF HON. THOMAS L. JONES,

OF KENTUCKY,

IN THE HOUSE OF REPRESENTATIVES,

January 20, 1876.

The House, as in Committee of the Whole, having under consideration the bill H. R. No. 514) relating to the centennial celebration of American Independence—

Mr. JONES, of Kentucky, said:

Mr. CHAIRMAN: I had not intended to address the committee upon this bill. I have no prepared speech to make. I have not put pen to paper. But after the able and persuasive speeches that have been made by gentlemen on this side of the House against this measure, as I intend to vote differently from them, I propose to give some of the reasons which influence me in my support of it.

I do not presume, sir, to take a flight on the wings of the American eagle, or to stand upon the helmet of the Goddess of Liberty that crowns this Capitol, and belabor the air with sound and fury, but I propose to speak words of truth and soberness. When I sat here yesterday and heard the very eloquent speech of the gentleman from Virginia, like Agrippa listening to Paul I was almost persuaded. But sir, I am not quite ready to yield to his constitutional christianity at least.

Now, sir, I shall support this measure because I believe it is in the interest of peace and amity among the people of the United States. I shall support it because I am a southern man—yes, sir, southern as he who is most southern. I shall support it because I am an American citizen and a Union man. I have nothing to do, Mr. Chairman, with those discourteous and contemptuous flings and gibes which have been made from this side of the House to the other, or from the other side to this. I participate in no feelings which prompt such unbecoming deportment on this floor. I will endeavor to rise to a higher plane. I consider the South, now so ably and gallantly represented on this floor, as reconstructed—reconstructed, sir, it is true, against my own voice and vote in many of the modes which made up reconstruction. But since it has been done I abide it, and so do these honorable

gentlemen abide it. I have been reared, like the gentleman from Virginia, in the school of the strict construction of the Constitution. I have read and heard a great deal upon that subject from both stand-points, North and South, and my observation and experience have inclined me on some subjects at least to leave a little the strict construction side, and I think that I have illustrious examples for doing so.

The subject of internal improvements which has been alluded to is hereafter to be discussed in this House. It is a question upon which gentlemen on this side are to divide, and perhaps it is as well that, although we occupy the same stand-point, as it were, yet we see things differently. I expect, sir, to invoke the aid of this Government to some works of internal improvement in the South, that the South, equally taxed, may enjoy equally with the North the benefits of the Government. I expect to invoke it in some shape or another for the great Southern Texas Pacific Railroad; and for my authority in the Constitution, or in the views of the expounders of the Constitution, I point to the greatest strict constructionist the South ever produced, whose voice and whose pen have interpreted that instrument. Mr. Calhoun in 1816 was the very father in this country of a system of internal improvement. In that year he moved that a committee of Congress be appointed to present a bill for the purpose of devising a system of internal improvement. He was chairman of that committee, and reported the bill. It provided that the stock of the Government in the United States Bank and that the bonus that was offered the Government by private stockholders of the bank should be set apart as a permanent fund for internal improvements in the States. And he said, sir, on that occasion—

Let us bind the Republic together by a perfect system of railroads and canals; let us conquer space. \* \* \* It is thus the most distant parts of the Republic will be brought within a few days' travel of the center; it is thus that the citizen of the West will read the news of Boston still moist from the press.

He said this in the vigor of his great intellect and when the illustrious authors of the Constitution, from whom he drew his lessons, still lived. I am aware that Mr. Calhoun afterward doubted the faith which he then promulgated and reasoned much in the other direction. But I point, sir, to another renowned example among the expounders of the Constitution. Daniel Webster, on the question of internal improvements in the States by the General Government, said—I use his own language—he "had not a particle of doubt as to the power of Congress." In a speech which he made in 1836 on the bill providing that the Government of the United States should purchase the private stock in the Louisville canal and hold and improve it as a medium of commerce, he went into the doctrine of the constitutionality of the measure, and he said upon that bill "he was a western man as he who was most western," and he would support it if it was simply a means of intercourse between and for the benefit of but two of the States of the Union, Indiana and Kentucky. He looked not to the locality but the magnitude of the object.

He said that the Government had just as much right to improve rivers or construct railroads for the purposes of commerce as it had to build forts, light-houses, or harbors on the seashore.

And I would say to the gentleman from Virginia [Mr. JOHN RANDOLPH TUCKER] that probably the first step ever taken in this country toward the regulation of commerce among the States and to establish a system to promote it was in the house of delegates of Virginia. In July, 1785, they adopted the following resolution. I commend the name that heads it to the honorable gentleman's memory:

Resolved, That Edmund Randolph and others be appointed commissioners, who or any five of whom shall meet such commissioners as may be appointed by the other States in the Union, at a time and place to be agreed on, to take into consideration the trade of the United States, to examine the relative situation and trade of the said States, to consider how far a uniform system in their commercial regulations may be necessary to their common interest and their permanent harmony, and to report to the several States such an act relative to this great subject as, when unanimously ratified by them, will enable the United States in Congress assembled effectually to provide for the same. That the said commissioners shall immediately transmit to the several States copies of the preceding resolution with a circular letter requesting their concurrence therein and proposing a time and place for the meeting aforesaid.

But, sir, leaving the subject of commerce or internal improvements for discussion on some more fit occasion and coming to the immediate question before the committee, I am expected and I ought to give some reason for the right which Congress has to appropriate money or to take stock, if you please, in this enterprise. My friend from Virginia [Mr. TUCKER] went into an argument for a strict construction of the Constitution, and denied the power of Congress to do any such thing. I propose to follow him as briefly as possible. I desire to call his attention first to the preamble of the Constitution itself.

That preamble specifies in general terms the objects for which the Constitution was made. It reads:

We, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

It was then as much the object of the Constitution or of its framers to "insure domestic tranquillity" or "promote the general welfare" as it was to "establish justice" or to "provide for the common defense" or to "secure the blessings of liberty," or, indeed, to "form a more perfect union." Who shall discriminate between these great objects of the Constitution, or say that the Government has less or more power to effect one than the other? Is not the obligation of the Government equally great in respect to all?



But we are not left to the preamble alone for authority. We find in the body of the Constitution itself, in the enumeration of the powers of Congress, that—

The Congress shall have powers to lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States.

All will say that here is a specific power given to Congress to collect taxes to pay debts, and who shall say the power is not equally given to provide for the *general welfare*? The power is there; and the only question is how shall the general welfare be provided for, in what manner, and to what extent? I say it is for the Congress in its best wisdom to determine. Another of the enumerated powers is "to coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures," but in what amount or denomination, whether of gold, silver, or copper, or how regulate weights and measures, is not specified. It is for Congress to determine. Another is "to establish post-offices and post-roads," but whether to build a house for a post-office costing a thousand dollars or a million it is not defined; it is left for Congress to determine. Another is "to declare war;" another, "to raise and support armies;" but the specific mode of making weapons of warfare or providing munitions of war, or how much money is to be appropriated for the purpose, is not described or stated. Another power is "to provide and maintain a navy," but there is no defined power to build a brig or man-of-war, at what cost or in what manner a navy shall be maintained. All these things follow the general power, and it is left for Congress to determine how they shall be provided.

Why, sir, how is it that Congress appropriates money to build great hospitals for the sick and wounded and aged soldiers and sailors of the Union? There is no definite power in the Constitution to build a hospital. How is it that Congress grants pensions and appropriates millions every year to pay them? The specific power is not in the Constitution; the word pension cannot be found in the instrument. How was it that even yesterday this House passed a bill giving a salary for life to a feeble and paralyzed judge, retiring him before the limitation in time fixed by law? I am aware that some of the commentators and the courts have based the exercise of such powers upon the idea or assumption of a debt owing such persons by the Government. But, sir, there is no authority in the Constitution for it; it is simply the discharge of implied duties and obligations arising under the general powers of the Constitution. No strict constructionist would deny or oppose such an exercise of power. How is it that the Government has bestowed charities and aided the distressed and afflicted at home and abroad? There is no distinct power in the Constitution to do any of these things. Sir, did the authors of that bond of government intend to forbid the Congress and the lawful authorities the exercise of the principles of charity and humanity or the power in certain contingencies or emergencies to "promote the general welfare" or "insure domestic tranquillity" even by the appropriation of money? If such had been the intention our Government could not have existed, and its grand proportions and appendages, its magnificent edifices, ornaments, and public improvements, and its humane and noble beneficence would not now command the respect and admiration of the world. Then I say, sir, that to "provide for the general welfare" is one of the enumerated powers of the Constitution, and then follows at the close of the section enumerating the powers of Congress this clause, namely:

To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof.

Sir, if the authors of the Constitution had thought it necessary to give definite authority to perform all the acts and do all the things which they knew were indispensable to build up a great and benevolent government, they could have filled a book as large as the Holy Bible. They intended only to lay out a general plan and specify certain general powers from which would necessarily flow by implication or inference the authority to carry them out, and the Government has exercised this authority from its foundation to the present time. I am for strict construction as far as we can apply the rule, but to say that we can or ought under all circumstances adopt and apply any fixed rule of construction I utterly deny. It cannot be done in the nature of the case. Why, sir, suppose a storm from heaven should come to-morrow and desolate half the State of Virginia, level its dwellings to the dust, and send its people homeless, houseless, naked, and starving into the wilderness, and no help could come but from the Government, should we deny food and raiment to the children of the good old mother under a strict construction of the Constitution that we had no power to appropriate money for any such purpose? A good government is humane and charitable, and will take care of its people.

Mr. Calhoun said on one occasion "he was no advocate for refined arguments on the Constitution. The instrument was not intended as a thesis for the logician to exercise his ingenuity on."

Mr. Madison said as late as 1830:

In order to understand the true character of the Constitution of the United States the error, not uncommon, must be avoided of viewing it through the medium either of a consolidated government or of a confederated government, while it is neither the one nor the other, but a mixture of both. And having in no model the similitude and analogies applicable to other systems of government, it must, more than any other, be its own interpreter according to its text and the facts of the case.

There, sir, is the rule, "*its text and the facts of the case.*" Under these and according to these it is reserved for Congress to use its best discretion and wisdom, and I apply these words of wisdom to the facts and circumstances before us and to the case under discussion.

I was surprised, Mr. Chairman, to hear at this day in our history the speech of the gentleman from Virginia, although it was able and eloquent, and has given him a high reputation. I rather regret that he made it; I do not think it will have a tendency to unite the democracy on this floor or have a good effect upon the country; and while I agree with him in much he said as to the structure and character of the Government, yet I do not entirely admit his conclusions. "*Tempora mutantur et nos mutamur in illis.*"

I call myself a strict constructionist, and yet I am more liberal than formerly. It will hardly do now to preach precisely the same rigid doctrines of State rights which we did twenty years ago; we might stir up old feuds which would endanger the democratic unity, for we are composed of old whigs and democrats alike, and they have always differed on this subject. While we should guard with the utmost vigilance the rights of the States, it is perhaps not needful now that we should enter into learned disquisitions upon the confederate or national character of the Republic, whether it is based upon a compact or a constitution.

In my readings this morning I chanced upon a paragraph in the Lectures on Constitutional Law of a distinguished Virginian—Henry St. George Tucker—to his law class in the university of that State. I believe he was the father of the honorable gentleman. He spoke thus:

It is not then by artificial reasoning founded upon theory, but upon a careful survey of the language of the Constitution itself, that we are to interpret its powers and its obligations. We are to treat it as it purports on its face to be, as a Constitution of government; and we are to reject all other appellations and definitions of it, such as that it is a compact, especially as they may mislead us into false constructions and glosses, and can have no tendency to instruct us in its real objects.

The gentleman ought to claim this by inheritance, and I commend it to him as a precious legacy.

Let us all remember, especially after the experience of the last few years, and in this felicitous period of our history, the peculiar circumstances under which the Constitution was adopted, by what concessions and compromises, yielding local interests and prejudices for the general good and an enlarged patriotism. It would be well, Mr. Chairman, for us to ponder long and often the words of Washington, the president of the convention which framed the Constitution, in presenting it to the old Congress for adoption. He said:

It is obviously impracticable in the Federal Government of these States to secure all rights of independent sovereignty to each and yet provide for the interest and safety of all. Individuals entering into society must give up a share of liberty to preserve the rest. The magnitude of the sacrifice must depend as well on situation and circumstances as on the object to be obtained. It is at all times difficult to draw with precision the line between those rights which must be surrendered and those which may be reserved; and on the present occasion this difficulty was increased by a difference among the several States as to their situation, extent, habits, and particular interests. In all our deliberations on this subject we kept steadily in our view that which appears to us the greatest interest of every true American: the consolidation of our Union; in which are involved our prosperity, felicity, safety, perhaps our national existence. This important consideration, seriously and deeply impressed on our minds, led each State in the convention to be less rigid on points of inferior magnitude than might have been otherwise expected, and thus the Constitution which we now present is the result of a spirit of amity and that mutual deference and concession which the peculiarity of our political situation rendered indispensable.

This, sir, was the spirit that animated the great and glorious authors of the Constitution. Let us try in its administration to follow their benign example. This too, sir, has been the spirit which influenced our greatest judges, from Chief Justices Marshall and Story down, in their most important decisions upon questions of national interests, whether of material or moral import. I have not time to cite them. The same spirit in the main also runs through the texts of the most distinguished commentators upon constitutional law. It is the pervading spirit in the emanations of our greatest lawyers, statesmen, and orators, and by none displayed with so much learning, ability, eloquence, and patriotism as the matchless Webster. It is the heart and soul of all his grand arguments and orations in the courts, in the Houses of Congress, or before vast multitudes of our countrymen.

I admit, sir, that the powers of the Constitution have often been misused and misapplied. The Congress has often most unwisely and criminally exercised its discretion in the discharge of its duties, but that does not affect the principle. The rights and privileges of that great instrument, like the blessings of God, are to be used and not abused. The only rule is a wise discretion.

Now, sir, as to the constitutional power of Congress to appropriate money to further and complete the preparations for the centennial celebration I have not a particle of doubt; I would put it even alone on the power to promote the "general welfare," whether that power may be considered express, implied, or residuary. But there is another view to take of this question. The Constitution, in defining the powers and duties of the President, says:

He shall have power, by and with the advice and consent of the Senate, to make treaties, &c.

Now, sir, by act of Congress of June 5, 1874, the President was directed "to extend in the name of the United States a respectful and cordial invitation to the governments and other nations to be represented and take part in the international exposition to be held at Philadelphia under the auspices of the Government of the United

States in the year 1876." The President accordingly extended that invitation to all the civilized nations and governments of the earth; and how many, sir, have already responded? We are told that England, France, Russia, Austria, Spain, Italy, China, Belgium, Denmark, Sweden, Norway, the Netherlands, Portugal, Egypt, Turkey, Brazil, Peru, Bolivia, Chili, Hayti, Venezuela, Mexico, Ecuador, Nicaragua, Persia, Liberia, Siam, Guatemala and Salvador, Honduras, the United States of Colombia, the Argentine Confederation, Tunis, and the Orange Free States, and others, amounting to nearly forty in number, have accepted and appropriated large sums of money to have themselves properly represented with their arts, their skill and genius, their manufactures and productions, at this grand assembly of the nations.

Now, sir, this act on the part of our Government and its President is in the nature of a treaty, and imposes a corresponding obligation. That obligation is to see that the invitation thus extended and thus accepted shall be carried out and realized in a manner corresponding with and creditable to the wealth, the character, the grandeur, and glory of the United States of America. The honor, sir, of our Government is involved in this business, and we cannot disguise it. Your honor, sir, and my honor, and the honor of every Representative on this floor, is, in the true sense of pride and patriotism, involved in it. We cannot ignore it. Let us act for our country as under like circumstances we would act for ourselves. Who among us would slight his invited guest or tarnish the honor of his house by an unseemly and stinted feast?

No, sir; let the United States in this matter rise to the full measure of her majestic proportions and show the nations of the world who she is and what she is at home among her own people. Let us not be "penny wise and pound foolish." The money proposed to be appropriated will be nothing compared to the benefit received. Regarding it in the sense merely of profit and loss—which is perhaps too sordid to be thought of—it will be a speculation for our people. Millions will come in and be spent among them and but little will go out. It will increase the wealth of the whole community. But, sir, in a higher sense it will prove of the greatest importance to our people. It will be a great school of instruction and education, teaching both by theory and practical illustration in all the sciences and arts, and giving visible demonstration of all the productions of the earth and of the varied industrial pursuits of man.

It has been said that this is a local enterprise gotten up for the benefit of the city of Philadelphia. I regard it in no such light. The spirit of it is national. The acts of Congress have made it national. It rises from the very birth of our liberty and Union, and speaks to every heart in this broad land; it embodies the signers of the Declaration and the framers of the Constitution, and appeals to us their descendants to give it free scope and let it be glorified. It is true that the noble State of Pennsylvania and the city of Philadelphia have contributed great sums, which, together with other individual and State contributions, amount to nearly \$5,000,000. They have already erected mighty and magnificent structures, covering immense spaces of ground and rising to the very skies in the most exquisite architectural beauty and grandeur. But we are assured that they must have more; they can give no more themselves; and unless the Government comes to the rescue the great exhibition will fail. Shall we allow it to fail or shall we make it more emphatically our own and national by laying the hand of the Government to the work that it may be carried to its full and complete proportions? These reasons alone, to my judgment, would seem sufficient for us to grant this appropriation.

But I said, sir, in the beginning, that I supported this measure in the interest of peace and unity among the people of the United States. That, with me, is the chief object. I know no way and can imagine none by which the "general welfare" can be promoted so efficiently, so appropriately, and so delightfully as this. It was indeed a happy conception, and our hundredth anniversary could have come at no time when it was more important to quiet the prejudices and still the passions and unite the hearts of our people than now. The great war through which we have passed and the consequent suffering have not done their perfect work. Something more is needed; "domestic tranquillity" and the "general welfare" have not been "insured and promoted." It behooves us to try another plan—the plan of peace and brotherhood.

Sir, if Adams and Jefferson, Hancock and Rutledge, had stood among us the other day and had witnessed the scene that occurred on this floor, they would have thought that something was yet necessary to promote the "general welfare." And can you imagine that they would have suggested anything more fit and becoming than the measure before us? They would have implored us to hesitate not in this work, but give money if necessary, and ample for the purpose of bringing the people of this great country together and producing harmony, friendship, and unity among them, that they might go on and raise still higher the fame of this land for wealth, skill in the arts, manufactures, and all productive industry; and for the accomplishment of these great objects they could have pointed us to no more appropriate occasion than the celebration of the birthday of American Independence on the very spot of its origin. I feel that their spirits are looking down upon us to-day and silently appealing to our hearts to approve this measure.

Sir, I have more confidence in the people than in their leaders. They have no object in keeping up the animosities and nursing the passions which the conduct of some of their Representatives in this

House would indicate. They are purer in heart; they know their interest better, and they want peace. I believe their hearts and minds are in this centennial celebration. Why, sir, they talk of it day and night in their homes and families, and thousands are saving their hard-earned pennies to enable them and their children to go and behold this great exhibition, the wonder of all the earth; there, too, to meet their fellow-citizens from the North, the South, the East, and the West, to shake hands over the cradle of their liberties and resolve to part from the father's house no more forever. And I want every American citizen when he goes to that sacred spot to feel that he is not indebted alone to Pennsylvania or Philadelphia, or any other State or city, for his enjoyment there, but that its great preparations are his own, he in part having paid for them by the sweat of his own brow, and that the expense came from the common treasure of the people.

Why, sir, every orator of the country, every preacher of the gospel, every executive of a State for the last two years has been eloquently rejoicing in the coming glories of the grand centennial. The people everywhere are bailing it with acclamations of joy. Shall we not respect them and their wishes? Have we not seen within the last year the most convincing demonstrations of returning good-will and friendship among the people, both North and South; and shall we stop or stay for a moment this bright and limpid current that is sweeping the land? Look how the sons of Virginia and South Carolina, of Yorktown and Entaw, were received by those of Lexington and Concord, of Boston and Bunker Hill. The son of the great Lee himself was taken as it were to the bosom of the people of Boston, and he and his friends, confederate soldiers and citizens, were feted and feasted. The women and the children came out to honor them; they threw evergreens in their paths and roses on their heads. They met the welcome of brothers. And look, sir, how the men of Mecklenburgh last May threw open their doors and their stores and invited the people of all sections to come and partake of their generous hospitality and celebrate with them the centennial anniversary of the declaration of their fathers, the first declaration of independence that saw the light on the shores of the new world. There was another common and glorious rejoicing. I love the Carolinas; born in one and reared in the other, I claim them both. Old North Carolina, my native State, God bless her!

Though she envies not others their merited glory,  
Say, whose name stands the foremost in liberty's story?

Sir, let us not quench this fraternal spirit; let us promote it by giving the people this grand jubilee. It may be the food and the blood of life to the Republic. We have a large debt, it is true, and it is incumbent upon us to economize and retrench; but in this measure we bring about that fellowship and harmony which will enable us the better to accumulate wealth with which to pay the debt and move on to untold riches—riches in money, riches in knowledge, riches in wisdom, and riches in brotherly love. Let us make one more and signal effort to bind the sections together.

Once more unto the breach, dear friends, once more.

Mr. Calhoun aptly said on another question, but for a like purpose:

But on the subject of national power what can be more important than a perfect unity in every part, in feelings and sentiments, and what can tend more powerfully to produce it than overcoming the effects of distance? Uninfluenced by any other consideration than love of country and duty, let us add this to the many useful measures already adopted. The money cannot be appropriated to a more exalted use. Every portion of the community—the farmer, mechanic, and merchant will feel its good effects, and—what is of the greatest importance, the strength of the community will be augmented and its political prosperity rendered more secure.

I make his words my own, and apply them to the measure under consideration.

Mr. Chairman, I know that I differ with many of my political friends on this subject, and with perhaps every one of my own delegation in Congress. I yield to them, sir, the same conscientious convictions in the discharge of their duties which I claim for myself. But I must carry out my principles and my faith, "come what come may." I am willing to meet the people, and stand or fall by my own acts. I take the responsibility; and in the immortal language of John Adams, as he stood for the Declaration on the floor of Independence Hall, braving the judgment of the world but conscious of his own rectitude and in the fear of God, so I stand for the Centennial:

Sink or swim, live or die, survive or perish, I give my hand and my heart to this vote.

#### Centennial Celebration of American Independence.

### SPEECH OF HON. C. H. JOYCE,

OF VERMONT,

#### IN THE HOUSE OF REPRESENTATIVES,

January 25, 1876,

On the bill (H. R. No. 514) making an appropriation for the centennial celebration of American Independence.

Mr. JOYCE. Mr. Chairman, the bill now before the House is an important one, as is every measure which calls for an appropriation of money, and we should not pass it unless demanded by the most obvious reasons and urgent necessity. Personally, it would give me



the greatest pleasure to vote for it, but a sense of duty to my constituents and the country overrides every personal consideration, and leaves me no choice but to stand up manfully for what I conceive to be the right. While I cannot consistently with my sense of duty support this measure, and while I would not celebrate the one hundredth anniversary of the birth of the Republic by a palpable and high-handed violation of the Constitution, I desire it to be distinctly understood that I am decidedly and heartily in favor of the celebration and exposition; that I fully realize and appreciate all its benefits and blessings, and will do all in my power personally, as I always have done, to aid and push forward to a successful result what I consider to be one of the most important and splendid schemes ever inaugurated in the history of this country or of the world.

I am not blind, sir, to the fact that the celebration of this anniversary of the Republic, "when colonial valor struck from the mailed breast-plate of English oppression the first living sparks of American liberty," has now become a subject of vital concern and absorbing interest to the people of this country.

Neither am I one of those who believe that if this appropriation is refused the centennial celebration will be a failure and a disgrace to this country. I believe the people will nobly finish what they have begun, complete all the arrangements for the grand opening in May, and lift and elevate this great jubilee above all local or sectional influences, give it a grand and universal character, and endow it, if possible, with the spirit and power of the new Republic.

This specious argument, that the whole scheme would stink in utter failure and disgrace unless Congress makes an appropriation, is familiar in this Hall; it was heard and seen here two years ago, dressed in eloquence, pathos, and entreaty; yet, since that time, more than one-half the money then asked for has been raised under the provisions of the charters, the buildings and grounds nearly completed; and there is no shadow of doubt in my mind that, if Congress refuses at this time, as it did then, to be led away from the plain and beaten path of duty and the spirit of the Constitution, the people will readily supply the means, as I believe they should do, all the arrangements will be completed in due season, and no disgrace will be brought upon them or dishonor upon the Government.

During the long and tedious debate to which we have listened, I have watched and waited hopefully, anxiously, but in vain, for some solid reason or valid and plausible excuse even to justify the granting of this bequest.

Day after day we have been promised this feast of reason by the friends of this measure, but it has as often vanished into thin air, their promises have been broken, and, instead of putting the bill upon its merits and supporting it by sound logic, convincing reasons, and vigorous arguments, gentlemen have, being aware of the untenable nature of the proposition, gone off in a burst of artificial patriotism and a whirlwind of passion, and when the dust and smoke, caused by each successive explosion, had cleared away we found that it was simply "sound and fury, signifying nothing;" that, like the gentleman from Indiana who attempted to navigate his inflation balloon through this House against an adverse current, they had gone "up like rockets but come down like sticks."

While I contend, therefore, that the friends of this measure have utterly and confessedly failed to adduce a good reason or present a single sound argument in favor of its passage, I propose in the briefest manner to assume the offensive and to state briefly some few of the many considerations which have led me to oppose this bill.

In the first place, Mr. Chairman, while I have neither time nor disposition to enter into an extended argument upon this branch of the subject, I emphatically deny the doctrine that the Constitution either in letter or spirit authorizes Congress to make a gift or to loan money to any individual or corporation for any object or purpose whatever.

I am aware that it is claimed by learned gentlemen upon this floor that this appropriation is in no sense a gift or a loan; that it is not voted to any individual or corporation; but the act, although carefully if not artfully worded with a view evidently to escape this objection, conclusively refutes this false theory and expressly declares that this money is to be paid over in installments to the centennial board of finance for the purpose of completing the centennial buildings and other preparations.

By reference to the acts of 1871 and 1872, it will be seen that the board of centennial commissioners and the centennial board of finance were created by Congress with well-defined powers and duties, the scope and extent of which were well known, and under which organizations were duly effected and the work commenced and carried forward in the most vigorous and prudent manner to its present near completion.

Down to this time the Government has had no part or lot in the matter, has not sought or exercised the least control over it, and has on all occasions absolutely and in the most positive and emphatic manner refused to become in any way responsible for its conduct or liabilities.

Now, after all this has transpired, a bill is brought in, and supported by both democrats and republicans, asking Congress to vote a million and a half of dollars to the president and treasurer of the centennial board of finance to finish the buildings and complete all the preparations for the great exhibition; and we are coolly told by the friends and promoters of this appropriation that the Government has taken charge of the enterprise and ought to furnish the money; that

because the Government has, at the request of these corporations, given out the invitations to this entertainment at its own expense, therefore it is bound to entertain those who come and pay all their expenses.

To those who are at all acquainted with the result of schemes and enterprises like this, it is well known that the effect of the passage of this bill would be to bind the Government, by implication at least, to close up the concern and liquidate all the outstanding debts and liabilities at the close of the exhibition.

To all this I most solemnly and earnestly object and protest, not only because it is, as I think, in direct and open violation of the Constitution, but because it is in opposition to the plainest dictates of a sound and healthy public policy.

I do not desire to become a party to such a transaction or to be instrumental in opening a gate and establishing a precedent which under a corrupt administration might drain the Treasury and bankrupt the Government.

We have been entertained here with quotations from every writer upon constitutional and national law, from Braxton to Story, with a view to convince the members of this House that they have authority to make this appropriation under the clause in the Constitution which empowers Congress to regulate commerce with foreign nations and among the several States.

Such a proposition, it seems to me, needs only to be stated to reveal its utter fallacy and convince any intelligent and candid man that the provision of the Constitution referred to has no application to this bill, and gives no power to Congress to make gifts or to set the Government up as a stockholder in a private corporation.

If Congress has the power to vote this money because the exhibition is designed to, and very likely will, promote and stimulate commerce with foreign nations and among the several States, then Congress may charter fairs and agricultural shows in every county in the Union, and appropriate the necessary money to carry them on.

The theory advanced that the money appropriated by this bill is to carry into effect a treaty or compact made by Congress or the Executive with those nations who have accepted invitations to be present at the exhibition hardly admits of serious consideration; and, while it rouses our mirth at its exceeding thinness, it at the same time excites our wonder that any man should bring himself to believe such a palpable and supreme humbug; and it seems to me that nothing but the most intense desire to be original and independent could have hatched out such a theory in the brain of any sane and reasonable man. Besides, it is not true in point of fact that Congress or the Executive ever made or attempted to make any compact or treaty with respect to the Centennial with any foreign nation or anybody else.

Congress merely chartered these two corporations, gave them full and plenary powers and privileges to perform all the acts and carry out all the objects of their creation; and the Government is no more liable for their acts or their debts than it is for those of a railroad or insurance company which it has chartered.

Again, Mr. Chairman, the record shows that these charters were passed by Congress under the most solemn and positive assurances on the part of those who sought them that the Government should never be called upon in any event to pay one dollar or be asked to become in any way liable for the debts or losses of these corporations. And so confident were these men at that time that they should raise all the funds desired and never call upon the Government, that they incorporated, on their own motion, this solemn promise into both the act of 1871 and of 1872, and relying upon these assurances Congress finally with great reluctance consented to give them their charters.

This reluctance and hesitation on the part of Congress grew out of a fear that the very state of facts which now exists would transpire, and that Congress would eventually be called upon to pay large sums of money, under the plea that is now set up and urged by the advocates of this measure, that unless the Government comes to the rescue the whole scheme will fail and the Republic be disgraced and dishonored.

After what took place at the time these charters were granted and what has since transpired, I can hardly conceive how the friends of this measure can now stand up here and ask Congress to give them a million and a half of dollars of the people's money, in the face and eyes of their own solemn assurances that all they asked was the charters, and that the Government should never be called upon, either directly or indirectly, to pay a single dollar.

But, Mr. Chairman, outside of all constitutional questions and scruples, there are reasons which are conclusive to my mind, and which alone would have determined me to vote against this appropriation.

In 1873 a financial simoom swept over this country, destroying our commerce, prostrating our business, paralyzing our industries, and driving our importers, merchants, and manufacturers into bankruptcy and ruin.

The primeval cause of this terrible disaster was a depreciated and fluctuating paper currency, which had led the people into all sorts of wild schemes and reckless speculations; and the victims heeded no voice of warning, until destruction came as a whirlwind, and the groans of the people filled the whole land.

From 1873 down to the present time the people of this country have bent every effort and strained every nerve to the work of repairing damages, the collection and gathering together of their scattered resources, and the building up of the business and industries of the nation; but under the terrible incubus of rag money and fluctuating

values they have made but slow progress, and to-day the wail comes up from every section of the Republic that business is depressed and languishing; that the wheels are stopped at the mills, the fires are extinguished at the forges, that thousands of men are out of employment and their wives and children suffering for bread. And in addition to this the Administration is putting ingenuity and economy to the rack to devise means to meet our just and pressing obligations and keep the machinery of the Government in operation. And more than all this, I know that many of the people who sent me here to guard their interests and labor for their welfare are at this very moment groaning under a load of taxes, State, town, and village, which is grinding them down to the very earth, and testing their strength and courage to the utmost to survive the storm and save themselves from bankruptcy. It is because I know them, and know the crushing difficulties and burdens under which they are now struggling with desperate hope and courage, that I earnestly and emphatically give my voice and my vote against adding to their burdens or increasing their distress.

Mr. Chairman, the people of Vermont are a law-abiding, Constitution-loving, prudent, and economical people; they are in favor of frugality, and opposed to all schemes of speculation at the expense of the national Treasury, and the voting of gifts and subsidies to individuals or corporations; but, sir, in the future, as in the past, if the integrity of the Republic and the honor of the flag shall require every dollar of their substance and the last drop of their blood, the sacrifice will be ready at the appointed time. Now, Mr. Chairman, while I oppose this bill because I seriously question the constitutional power of Congress to pass it, and because I am firmly convinced that it is inexpedient to do so at this time, I believe I hazard nothing when I pledge you my word that the people of Vermont will be at that exhibition, and that all her grand interests will be fully represented; that her citizens are ready and anxious to do their full share in this great enterprise, and that private energy will gladly furnish all the facilities which may be required to place her in honorable competition with her sister States and the world in that magnificent exposition.

No people can join in this great national festival with more spirit and pride than the people of Vermont, for none did more to make possible this celebration, and none can bring richer or purer offerings to this exhibition. In the great struggle we are now seeking to commemorate, Allen, at the head of her gallant sons, made the first aggressive assault upon the forces of the Crown, cut off every shadow of hope for reconciliation, and paved the way for the Declaration of Independence and the surrender of a proud and arrogant foe at Saratoga and Yorktown. Ay, sir, among her green hills and gleaming valleys dwell a people to-day who are the best illustration on earth of the ennobling and sublime effects of the doctrine of that immortal Declaration which the world will gather together in 1876 to celebrate.

But, Mr. Chairman, there is another view which I desire to take of this matter, which, it seems to me, will be both amusing and instructive, and will show why we ought not to grant this appropriation. From the moment we entered this Hall, at the commencement of the present session down to this time, our ears have been filled with the trumpet tones of the dominant party upon this floor proclaiming retrenchment and reform.

A brief and cursory review of their acts during that time will attest the absolute insincerity of their motives and the hollow hypocrisy with which they have deceived the people and stolen into power. They proclaimed that they would purify the turbid streams of national power, reform existing abuses, squander no more of the national treasure, and cut down the extravagant expenditures of the Government. The objects are noble and worthy the best efforts of patriotic men; but how do they propose to accomplish this work and bring about this grand result?

We are told that they intend to reduce the Army and leave our frontier settlements exposed to the incursions of marauders and hostile savages; that the Navy is to be shorn of its strength and its glory, and our commerce, in case of war, be left to the protection and tender mercies of our enemies; that the already scanty pay of our learned professors and brave boys at West Point and the maimed and wounded soldiers who are serving as clerks and employés in the different Departments of the Government is to be reduced by these retrenchers to the starvation standard, and all the money they can save in this way is to be appropriated to the building and beautifying of the grounds and centennial palaces at Philadelphia and paying the expenses of this great national exhibition.

No man, sir, will go further than I will in all reasonable and proper retrenchment of the expenditures of the Government and in compelling an honest administration of public affairs; but, sir, I am earnestly and conscientiously opposed to doing it in the way proposed by these gentlemen or beginning where they propose to; and in the name of our brave Army, our gallant Navy, our noble boys at West Point, our faithful and efficient clerks and employés in all the Departments of the Government, the laboring and toiling people of our whole country, the thousands of honest, industrious men who are now seeking employment and finding none, and their suffering and starving wives and children, I protest against such retrenchment and against this appropriation.

Again, Mr. Chairman, what have these reformers and retrenchers been doing in another direction? I put them upon the stand and de-

mand an answer. We have been here in session since the 5th of December, and I ask these gentlemen what they have to show for two months' work, during every moment of which they have been spending the people's money, drawing their salaries, and wasting the time which honestly belonged to their constituents.

They adjourned over the holidays, losing two whole weeks, during which time they ought to have been perfecting and maturing the appropriation bills; and if they had, every one of them might have been disposed of by this time and the attention of Congress directed to relieving the distresses of the people and reviving the depressed and languishing business and industries of the country. And in that way a few hours might have been spared to the humane and patriotic work of preparing and passing some act which would give pensions to hundreds of disabled Union soldiers who ought to have drawn them long ago, but have been shut out either by some technical defect in the present laws or too much red tape in the Departments.

Let us, Mr. Chairman, "be just before we are generous;" let us pay our honest debts, relieve the needy and destitute, and do something to lift the dark cloud of gloom and bankruptcy from the people before we run wild with gushing sentimentality or borrow money with which to erect palaces or make magnificent donations.

If the democratic party are really honest, and desire to show the people that they are sincere in their promises to relieve them of their burdens and infuse life and vitality into the material interests of the country, now gasping in the agonies of dissolution, why have they not made haste long ere this to take an advance step toward a sound currency and specie payments in the direction of the act of last session, and thus give an impetus to trade and commerce, break the clouds which cover us with their dark folds, and prove to the country that they are not hypocrites, instead of giving away a million and a half of the people's money and wasting the time of Congress in an attempt to elect Jefferson Davis to the United States Senate, convince the country that Webster never replied to Hayne, that we have had no civil war, and that the accursed dogma of States-rights still exists in all its strength and ugly deformity?

They have the majority upon this floor, and can go on in the reckless expenditure of the public money and waste of time; they can pass this bill and add still more weight to the burdens of a struggling and suffering people; but know ye that for all these things you will be brought into judgment. The great day of assize is at hand when you must stand before the judgment-seat of the American people to answer for the deeds done and left undone during the present session of this Congress. Before that august tribunal no dilatory pleas or dissembling excuses will avail; the secrets and intents of every democratic heart will be revealed and made known, and only those who have been true to their trust and kept the faith in its integrity and purity will receive the crown of approval, the diadem of honor, and the scepter of power.

What will the people of this country, and of the world, say of a party that celebrates its entrance into power by the adoption of a resolution declaring—

That in the judgment of this House, in the present condition of the financial affairs of the Government, no subsidies in money, bonds, public lands, indentments, or by pledge of the public credit, should be granted by Congress to associations or corporations engaged or proposing to engage in public or private enterprises; and that all appropriations from the public Treasury ought to be limited at this time to such amounts only as shall be imperatively demanded by the public service,

and then in a few short weeks lends its power to a corporation to draw from the public Treasury one and a half millions of the people's hard-earned money, every cent of which must be made up by taxes wrung from those already sorely burdened, or the robbery of honest labor?

In view of the considerations I have mentioned, and the additional fact that we have now a national debt of over \$2,000,000,000, which is hanging like a mill-stone about our necks, and which is every hour crippling our energies and draining the country of gold, and will in the end I fear bankrupt the Republic unless it is funded and the way prepared for specie payments, I am entirely willing to take the responsibility and vote against this bill, and I most heartily wish that every republican upon this floor would go and do likewise.

But, Mr. Chairman, while I am driven and compelled by an imperative sense of duty to oppose this measure, I still have the fullest confidence and most abiding faith that the celebration and exhibition will prove a great and glorious success.

When it shall be known that Congress has for the reasons I have set forth refused to become a member of these joint-stock companies or liable for their debts, those more directly interested will go to work and raise all the funds which may be needed or required, and the grand jubilee will be in truth what it ought and was designed to be in the outset, the great free-will offering of the people. Let them manage it and take the responsibility, as they desire to, and there will be no danger of failure or disgrace. They have not petitioned you for a dollar and have never asked you for an appropriation. They fully appreciate the importance and realize the benefits and blessings of the great enterprise in which they are engaged, and will, if permitted, on that grand and august occasion prove to the world that a hundred years have not chilled the patriotism or stifled the love of liberty which flashed forth when on the morning of July 4, 1776, the old bell upon Independence Hall proclaimed "liberty throughout all the land unto all the inhabitants thereof."



Centennial Celebration of American Independence.

**SPEECH OF HON. W. W. WILSHIRE,**  
OF ARKANSAS,  
IN THE HOUSE OF REPRESENTATIVES,

January 25, 1876,

On the bill (H. R. No. 514) making an appropriation for the centennial celebration of American Independence.

Mr. WILSHIRE. Mr. Chairman, as one of the Representatives of the State of Arkansas, I feel it to be my duty to my people on this occasion to express my views and what I think they will approve of. Though my State has recently been the cause of considerable anxiety in political circles, and her people were regarded by some as disloyal to the Government of the United States, having no care for its perpetuity, no pride in its future greatness, and felt no interest in its institutions, I am proud to assert on this floor that since that State has been fully restored to her relations in the Union, equal with the other States, there is no State in the Union whose people are more loyal and devoted to the Government than those of Arkansas. And notwithstanding the withering blight imposed upon her by the misrule of the past few years, and her impoverished condition, her Legislature recently appropriated a sufficient sum of money to amply provide for her people being fully represented at the centennial exhibition. I think I hazard nothing in saying that the people of Arkansas almost unanimously approve of this national celebration of the hundredth anniversary of the day on which the glad tidings of liberty and free government were first heralded to the anxious people of the American Colonies. I shall favor the bill in its present form, if it cannot be amended, though I would much prefer to strike out that proviso which is intended to constitute the Government a stockholder to the extent of this appropriation. I will but briefly state my reasons for this preference.

Mr. Chairman, it is thought by some who favor this appropriation that it will finally cost the Government nothing, because the net proceeds of the exhibition will be large, and the provision contained in this bill entitling the Government to participate in those proceeds will re-imburse it for any money advanced.

This may or may not be true; it makes no difference to me whether it is or not. If, as has been said on this floor, the chief considerations moving the friends of the appropriation are to secure one grand centennial celebration of American Independence, and thereby bring together the people of all sections where they can blot out the last vestige of past differences, erect anew the altar of liberty upon which to rekindle the patriotic fires of the Revolution and consume the "bloody shirt" and the tales of horror that are still held up and dilated upon by designing politicians to arouse the temper and inflame the passions of the people both North and South, then, sir, it should be an unconditional appropriation, a free-will offering in the interest of harmony, unity, and the love of country. Besides, it does not comport with the dignity of a great Government like ours to become a stockholder, and a minority one at that, in a joint-stock company or corporation. I am quite sure the people, who are always right, when they understand it will not only indorse the appropriation but approve its being made without conditions.

It has been urged in opposing the bill that Congress does not possess the constitutional power to make such an appropriation. In this I do not agree with the learned gentlemen who have so ingeniously and with so much ability discussed that proposition. The old strict-construction doctrine of the democratic party has, I think, been somewhat modified by the determination of the questions involved in and settled by the late great American civil war; for I understand that all the political parties of this country recognize as valid that great debt now hanging over the people, and created in the suppression of the rebellion, under that provision of the Constitution conferring power on Congress to "provide for the common defense and general welfare of the United States," and each of the great political parties of the country stands pledged to its faithful discharge. Now, if Congress had the power under the Constitution to create this debt and appropriate money to carry on that war, then I must confess my inability to see any valid objections, on constitutional or other grounds, to appropriating the sum of \$1,500,000 to contribute to the success of this the grandest of all events that can ever happen to heal the differences between and fraternize those who in that civil strife were opposed to each other.

I have yet to hear in this discussion one word to negative the proposition that this centennial exhibition, if a success, and generally participated in by the people of all the States, will do more to heal the still festering wounds produced by our late internecine war than anything that has yet been proposed. I am confident in the belief that if this Congress will lend the aid that is asked the exhibition will be grandly successful and incalculable good to the whole country result from it, peace and fraternal feeling be restored, and our Government, with a united people, enter upon its second century with the most happy and glorious prospects for the future.

The grand central principle of all civil government is that government is established among men to promote the security, peace, and

happiness of the people governed, and is prior in existence to a written constitution which is only intended to sanctify and confirm the same.

Sir, there is a thought comes to me in discussing this question of appropriation which rises higher and enters into more sacred precincts than any constitutional question yet discussed upon this floor, and it is this: That by granting it we promote the happiness of all the people of the whole United States, particularly those once confronting each other under arms, by bringing them together upon the sacred spot where, under the providence of God, a new, free, and independent nation was born one hundred years before, possessing the largest possible power of securing the happiness and general welfare of the whole people. There let the victor in battle exhibit his discarded engines of war, freshly molded into labor-saving machinery, side by side with the vanquished, with his samples of fleecy product cultivated by free men upon the broad fields of dethroned King Cotton, there, under the benign influences of the glittering stars and dazzling stripes of our nation's emblem, to unite in rejoicing over the triumph of the patriotic efforts of our revolutionary fathers in establishing American independence and freedom; and within the sound of that old bell, still hanging in Independence Hall, the tone of which gave the first announcement of the signing of the Declaration of American Independence, to pledge anew their faith in our Government and their determination to maintain it. To secure this end and to restore to its fullest extent a fraternal feeling among the people of all sections of our common country is to my mind a duty rising pre-eminently by above all other considerations.

In discussing the constitutionality of this appropriation the arguments of some gentlemen have taken a very broad range, so that were not the printed bill before us we might conclude that the proposed measure was to alter, amend, or abolish the Constitution altogether, instead of the harmless proposition to cement and strengthen that which is over and above all constitutions—humanity, brotherly love, and fraternal feeling.

So far as the feelings and desires of the people are concerned, I can only speak for my own State, Arkansas, and in doing that I am proud to say for them that from Maine to California, from the Canadas to the Gulf of Mexico, a more loyal and devoted people to the Government of the United States cannot be found. They are proud of its flag, proud of its institutions, and proud of the patriotism that inspired the movers in getting up the centennial celebration of our national existence, and on that occasion will exhibit a feeling of patriotism and devotion to our General Government that will challenge the admiration of the most enthusiastic admirers of American institutions.

Centennial Celebration of American Independence.

**SPEECH OF HON. LUCIEN B. CASWELL,**  
OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

January 25, 1876,

On the bill (H. R. No. 514) making an appropriation for the centennial celebration of American Independence.

Mr. CASWELL. Mr. Chairman, so much discussion has already been had upon this measure that I do not feel justified in detaining the House but a moment. I intend to vote for this appropriation, and it is but right that I give my reasons for it. This, sir, is a question which affects the nation both at home and abroad. Its credit, its honor, its opportunity, are now at stake. So are the interests of every American citizen. We have lived one hundred years. We have been tried in war and in peace, and found, I trust, equal to the emergency. There is wanting only the grand reception which awaits us at the Centennial. That occasion will not be for a few, for any chosen number. It will be for all the world. We have invited the nations of the earth to visit us and examine our fabrics and products and bring with them whatever they may think will successfully compete with ours. This we do in the interests of labor, skill, and industry; we do it in the interests of trade and commerce, and to invite immigration to this country. But we are told at the threshold that Congress has not the constitutional power to make the appropriation, that we are not permitted to put our house in order for the invited guests and give shelter to the wares which they may bring with them. Why, sir, this strained construction of the Constitution would extinguish half the life and glory of the Republic. It would paralyze and cut off the great arteries of commerce and destroy our usefulness.

I do not, sir, believe in any such construction. Why need we a constitution if it is but an obstruction in the great paths of intelligent progress? That constitution is the best which is the broadest in the interests of labor and enterprise, meeting all the wants of the people. And what greater and nobler enterprise can there be than that of celebrating the events which gave us life? What could better revive the love of our country, again united; what better kindle anew the patriotism and cement the great interests of society? My State, sir, is remote from the place of this exhibition; it is equally remote from



the spot where the fires of our liberty were first kindled; but we are none the less patriotic, and love that liberty none the less, nor are we indifferent as to the good name and the honor of our country which is so much involved in this celebration. We are sensible of this fact, that, though thousands of miles apart, achievements since we have lived have made us near neighbors, and we can talk together as one family.

We should not be wanting in hospitality to those whom we have invited; we should not hesitate to add whatever money may be necessary to complete this the cap-stone of the column which in history will mark the centennial year of our great and good country.

Now, sir, this is all I have to say. I support this bill because I believe it is right.

#### Centennial Celebration of American Independence.

### SPEECH OF HON. B. T. EAMES,

OF RHODE ISLAND,

IN THE HOUSE OF REPRESENTATIVES,

January 25, 1876.

On the bill (H. R. No. 514) making an appropriation for the centennial celebration of American Independence.

Mr. EAMES. Mr. Chairman, the appropriate celebration of the hundredth anniversary of the birth of the Republic is an event of great interest to the American people.

The principles of a free government announced when the Colonies severed their political relations with Great Britain have been on trial in this country for nearly a century, and the result has been to demonstrate that a government of the people is the strongest and best form of civil government, not only in securing life, liberty, and property, but also in developing the material resources of a people and in promoting their welfare in their social and political relations.

Under this form of government during the first hundred years of the Republic life has been safe, property has been protected, and constitutional liberty, after a terrible struggle, has been maintained and preserved. No people under any form of government has been better protected in these respects, and no country in any age during a like period has developed to such a remarkable extent its material resources.

The area of the Republic has been extended from 800,000 to 3,000,000 square miles. Its population has increased from 3,000,000 upward of 40,000,000. Its wealth has accumulated to such a marvelous extent that its annual product now is nearly or quite equal to its entire wealth then, and the advances which have been made in agriculture and in the mechanical and manufacturing arts, and in commerce upon land by rail, and upon the rivers and ocean by steam, are without a parallel or precedent in the history of the world.

In this condition of the growth and prosperity of the Republic in the first century of its existence the question is presented whether on its hundredth natal day it is proper for the Government of the United States to participate in and contribute toward the expense of a national centennial celebration which will be worthy of the grand event which such celebration is intended to commemorate. All agree that this event ought to be appropriately observed. All agree that the celebration should be national in its character.

Some doubt whether it should be international. But these questions have been disposed of. A celebration national and international to be held under the auspices of the Government of the United States to which invitations have been extended to and accepted by foreign nations has been determined by the acts of Congress and what has been done under and in pursuance of them. It is true that the original purpose was that no expense should be incurred by the General Government. It was supposed that there would be no occasion to apply to the General Government for aid. But the plans proposed in good faith by those having this enterprise in charge to raise the necessary amount of money by voluntary subscription or the sale of stock have not been successful, and hence the necessity of the present application to prevent a failure after the honor of the nation has been pledged for its success.

It is practically of no consequence how this necessity has arisen. The fact exists, and there is no reason why the Government should not make its contribution toward the success of an exhibition commemorative of the centennial of the Republic.

Heretofore as the birthday of the Republic in the rolling years of the century has occurred every village, hamlet, and city within the Republic has welcomed its return with appropriate ceremonies and has cheerfully appropriated the money which was necessary to properly commemorate the day and the event.

A hundred years in the life of the Republic has nearly passed, a longer period than any other like government has ever withstood the shock of time, and it is eminently proper it seems to me that the whole people should at such a time unite in its celebration, and that such appropriation from the general Treasury should be made as may be required for a national celebration appropriate to and worthy of this great event in the life of the nation.

There can be no reasonable doubt of the right of Congress to make this appropriation.

The precedents in the same direction are numerous. If appropriations may be made for scientific observations upon the transit of Venus, for polar expeditions in search of the northwest passage, and especially if, as has been done, appropriations from the Treasury may be made in aid of foreign expositions, at London, Paris, and Vienna, it ought, it would seem, to settle the question not only of the right but of the propriety of an appropriation for an international exhibition within the limits of our own country.

The real objection to this appropriation is the present condition of the National Treasury and the financial condition of the country.

The national debt is enormous, the burdens of taxation are great, and the industries of the country are depressed. But if the debt is great, the wealth of the country is sufficient ultimately to meet and discharge it; if the taxes are onerous and the business interests of the country depressed, it is only for the time. The debt has been greatly diminished and the taxes have been largely reduced, and the return of business prosperity is sure at no distant day to succeed the present depression.

The amount of this appropriation compared with the wealth and population of the country is not large. It is necessary to have that amount in order to insure success.

In giving my vote for the appropriation I feel sure that I shall fairly express the sentiment of the intelligent constituency which I here represent. The time, the hundredth birthday of the Republic; the place, where was first promulgated to the world the great principles of constitutional liberty which underlie and support a free government; and the occasion, the exhibition to the world of the progress of a free government in the first century of its existence in comparison and contrast with that of older nations under different forms of government, alike justify if they do not imperatively demand that the appropriation should be made. And if made, I feel confident that the action of Congress in that respect will meet very generally with the approval of the American people.

#### Centennial Celebration of American Independence.

### SPEECH OF HON. T. W. BENNETT,

OF IDAHO,

IN THE HOUSE OF REPRESENTATIVES,

January 25, 1876.

On the bill (H. R. No. 514) making an appropriation for the centennial celebration of American Independence.

Mr. BENNETT. Mr. Chairman, I am well convinced that nothing new can be said upon the subject now under consideration after the exhaustive discussion of more than a week; yet, sir, I desire to say a word for a people not often heard upon this floor. The people of the Territory of Idaho, whom I have the honor to represent, live so far away, so near that point on the American continent where the old "star of empire" on its way westward from the Atlantic meets the new "star of empire" on its way eastward from the Pacific, that they are scarcely ever heard in the discussion of great national questions like the one now before the House. The people of that Territory, like those of the other Territories, belong to that grand army of pioneers who, forsaking the lazy ease of the old home, have crossed the great plains and climbed the mighty mountains of that vast land toward the setting sun, blazing the road over which "westward the course of empire takes its way," and adding day by day new States to the Union and new stars to its flag. Living among their great mountains and in their beautiful valleys, engaged in their noble work of civilization and development, they are incapable of any other than broad, national, liberal, and patriotic ideas, and consequently they are unanimous for every measure that tends to the success of the great American Centennial.

They give such a measure as this their support, because they know that the enterprise is not a mere local one, but a great national affair, appealing to the pride, patriotism, and honor of every citizen.

Sir, this centennial exhibition was inaugurated by the national Congress and its officers appointed by the Executive of the nation, and is, to all intents and purposes, an affair of the nation. Upon the solemn authority of Congress the President has invited the civilized world as guests, and the invitation has been formally accepted in the spirit in which it was tendered—that in every way, in every aspect of the movement, it was to be a national feast spread by one great government and to which all others were to be invited—a national host, a national invitation, national guests, and a national feast. By refusing now to contribute national aid to its success is to disown the enterprise and stand before the nations of the earth disgraced and dishonored.

The people of the Territories are for this measure, because they believe that the centennial occasion will afford them an opportunity to exhibit to the world evidences of the vast resources that lie undeveloped amid their mountains and their valleys. The people of Idaho are

now preparing and will exhibit at Philadelphia indisputable evidence that in that Territory alone there is to-day, seamed all through the bosoms of her mountains and glittering among the sands of her valleys, awaiting only labor and capital, enough of the precious metals to liquidate the national debt and pay all expenses of future centennials. Thus we hope to induce emigration to our borders.

Sir, I believe that if this Government desires to rid itself of the incubus of hard times and bring prosperity to the people, the true policy is to foster and encourage the settlement and development of that great country. If the millions and millions of poor people who are crowding our great cities and scattered throughout the populous States of the East, out of employment, and recruiting the ranks of the vicious and the helpless, could be induced to seek homes and employment in that almost untouched region, many of the great questions that so disturb the people and perplex the statesman would at once be solved. The labor question would be settled, for instead of the starvation, the discontent, and the mobs that now disgrace the country, the men who earn their bread by labor could in that land of promise find everywhere employment pleasant, profitable, and ennobling. They could there compel the mountains to yield up treasures more valuable than fairy tale ever told of, and on more than a thousand hills herd cattle more numerous than Jacob ever dreamed of, and fatter even than the picture so wittily drawn of the Texas cattle by the venerable and eloquent gentleman from New York, [Mr. TOWNSEND.] Such a policy would at once make easy the way to financial success, for all that is needed is plenty of specie, and there it lies in sight in the mountains of Idaho, only awaiting labor to go up and possess it. We believe that our display at the Centennial will awaken an interest in this great question, and set toward us a tide of immigration healthful to us and to the country.

Another object of this Centennial, and one which I believe to be more important than all, is the opportunity it will afford the people of all sections of this country to become better acquainted with each other, and thereby engender and perpetuate a feeling of fraternal love and patriotism. I am aware that this idea has been sneered at in this discussion. No intelligent man in this House or in the country can doubt that there are men North, South, East, and West who do not desire that the people of the late embittered sections shall live together in peace and quiet. It is well known that in all sections there are men who for party ends would and do rejoice at every word and every act that tends to disturb the harmony of the people, and to prevent that universal love and confidence that must exist among us if we would preserve and transmit this glorious Union and its free institutions.

I fear we are not all willing to bury forever all the hate, all the bitter memories of a terrible war, and begin anew in the spirit of our fathers, with loving, trusting hearts, to move forward in the great pathway of the future. I fear some of our statesmen are not looking in the direction of peace and fraternal good will, but are rather laboring in the direction of mere party purposes and party advantages. Instead of pictures of the great future before us, our attention is sought to be turned backward across the bloody pathway we trod and toward the dark clouds that hung over our imperiled and battle-torn country, that we may gaze upon the horrid specters of war and scent the stench that comes up from a fratricidal slaughter.

Mr. Chairman, I have followed the great head of the republican party in his civil administration of this Government as I followed him during the long years of war; and, as I never faltered in my admiration of him as a soldier, so I have never wavered in my support of him as a statesman. And in my judgment he never displayed his soldierly character to better advantage than when, receiving the surrender at Appomattox of an army which Napoleon would have been proud to command, he in his plain, unostentatious way told them only to go to their homes and be good citizens, and they should be unloathed. And he never as a statesman penned a more patriotic or practical suggestion than when, in one of his messages to Congress, he urgently recommended universal amnesty.

I have, perhaps, no right to speak as a politician or a statesman, for I have no claims to either; but, sir, there is a character in which I have a right to speak on this floor and on every spot where the flag of my country floats. I was a Union soldier, and followed the "banner of beauty and glory" from the early spring of 1861 to the closing hours of 1865. In that character I speak not of party success nor party interests, but I tell the politicians and the country that the Union soldiers want no more war. War may do for those who are valiant just before and just after the conflict, for those who grow rich on the opportunities afforded, those who get more bonds than scalps for trophies, more offices than scars for mementoes, and who are more than willing to sacrifice all their wives' relations on the battle-field. But, sir, in the name of the soldiers North and South, the men who did once and would again have the fighting to do, I protest against every word, every measure, and every act that tends to irritate and keep open the wounds that must heal, and heal soon and forever, if we would preserve and transmit to posterity this great Republic of ours.

It may be of great importance to secure the success of party, but it is infinitely of more importance that every vestige of sectional strife and ill-will should now be blotted out forever.

I hope one great lesson at least will be taught in this centennial year: that is, that no party can succeed in the coming contest which bases itself upon any sectional ideas. Secession, State-rights, strict

construction, slavery, human inequality, and rebellion are dead and damned, and all efforts to revive them or to keep before the people the horrors, the hates, the bitterness of the strife in which they went down will meet with the overwhelming rebuke of a brave and magnanimous people resolved to live in peace, harmony, and love. One sovereign nation, one flag, universal freedom and equality, universal amnesty, universal love, and universal peace are the living, guiding sentiments of the people in this year of jubilee.

Soldiers of the country, Union and confederate, you who wore the blue and you who wore the gray, let us go to Philadelphia, and there, under the shadow of the old flag, as it floats over the Cradle of Liberty, talk over these things as we always do when left to ourselves. We on the Union side want to take our former enemies by the hands, and tell them that one of the proudest reflections in the hour of victory was that our enemy was as brave as ourselves. We want to tell them that, while we never can love the cause they lost nor the flag they followed, we do love them as citizens of this great country of ours. We want to tell them that, while we believe we were right and they were wrong, yet we recognize the fact that they were equally earnest, equally conscientious as we, for we know that no soldiers ever fought more bravely, and only those who believe their cause to be just can be so brave. We want to show them that in restoring them to citizenship in this Republic we shall not mar the sublimity of that unparalleled act by taunts and jeers, and by reviving the bitter memories of our and their strifes. Rather will we forget all of that terrible war except the lessons it taught, the country it saved, and the heroic deeds of valor and devotion performed by both sides, so that the same history that records our triumphs shall do justice to the gallantry and sublime courage of our enemy.

All along the Potomac, the Rapidan, the Shenandoah, the Cumberland, the Tennessee, the great father of waters, on the mountain tops, in the valleys, and beneath the waters of the gulf and the ocean sleep together our fallen comrades on either side, and to-day from their spirit homes beyond the stars they admonish us to live in peace and fraternal Union.

On fame's eternal camping-ground  
Their silent tents are spread,  
Whilst glory guards with solemn round  
The bivouac of the dead.

And in this connection I may be allowed to say that the real Union soldiers are not a part of that suffering army of patriots whose highest ambition is to hold a subordinate position around this Hall and for whose melancholy fate of removal resolutions of sympathy and condolence are heard. No, sir, the real soldiers are scattered over this broad land, in the workshops, on the farms, and amid all the great industries of the country, and need no congressional resolutions to commend them to the consideration of their countrymen. They are their own recommendation. They are neither seeking official pensions nor courting political martyrdom.

I hope to see every soldier in this House vote for this centennial bill. These constitutional objections are only the temporary expedients of its enemies. Such objections have always been made when the Government has sought to save its life or its honor. We were once told that it was unconstitutional to suppress a rebellion, to raise armies, to issue money, to do anything but submit to defeat, humiliation, and ruin. Had such arguments prevailed then we would have had no need of a Centennial now, for our glorious Republic would never have seen its hundredth anniversary. Neither is this a question of economy; it rises higher and above that. Pass this bill, perform this act of patriotism and duty, and let us have such a grand jubilee in 1876 as will send the fragrance of its glory and its good down to 1976, as the blessings of our fathers came down to us from 1776. If your constituents find fault with you, resign and give them an opportunity to fill your places with men

With souls so dead,  
Who to themselves have never said  
This is our own, our native land.

Centennial Celebration of American Independence.

## SPEECH OF HON. J. H. BAGLEY, JR.,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

January 25, 1876,

On the bill (H. R. No. 514) making an appropriation for the centennial celebration of American Independence.

Mr. J. H. BAGLEY. Mr. Chairman, I desire to enter my protest against this appropriation, and shall occupy the time of the House but a moment, as I am satisfied there can be but little added to the forcible arguments presented in opposition to the measure, and will call attention to but one of the arguments adduced in its favor. Gentlemen have been pleased to make figures, computing the amount each individual in the land would have to donate to pay these \$15,000,000. Their mathematical minds have discovered that the cost will be but three and a half cents or thereabouts to each person. Truly, they exclaim, what a paltry sum! Who so mean, so sordid, as not to acquiesce in a measure requiring so small an outlay?



Mr. Chairman, permit me to say that this does not sound like the language of business men, of prudent men, and, it is fair to say, of statesmen. It is the language of the prodigal, who, possessed, as he thinks, of an ample fortune, excuses each expenditure with the reflection that it is but a trifle. Let the gentlemen prove the sum by multiplying forty millions by three and the fraction, and what do they get? Why, \$1,500,000! Why, sir, when we return to specie payments, (and it is hoped we may soon,) I should like to have one of these gentlemen who talk so glibly about three and a half cents count the amount in silver dollars. Allowing him to count one hundred and twenty per minute, and working four hours per day, as some of us have been working here so hard for several days on this question, it would take him with his nimble mind and fingers fifty-three days! It may be said that this is trivial and undignified. In reply, I would say that it is as fair a subject for computation as the three-and-a-half-cent problem. One million five hundred thousand dollars! a mere bagatelle, a mere pittance! Why, Mr. Chairman, suppose this bill had called for one hundred millions. That would be but \$2.50 per head; and what is that amount to any of us? We can at any time spend it for comforts for the inner or the outer man and not feel its loss. But, sir, when we consider millions it is a very different thing. This question cannot be belittled by talking about three and a half cents *per capita*. We must look at the amount in the aggregate. Why, sir, \$55 per head would cancel the national debt, and since we are in the line of appropriations why not appropriate twenty-two hundred millions at once, and pay the debt? It is not a large amount for each individual, and surely great and glorious results would follow—and we should all be happy.

I trust, Mr. Chairman, that I am not wanting in centennial patriotism and enthusiasm, but it is not so fervid, it has not attained to such a white heat, that I am willing to vote \$1,500,000 of the people's money for this purpose. It is almost appalling to observe the ease and facility with which gentlemen talk about giving this large sum of money, and we are led to think if they are not millionaires they ought to be and placed in positions where they can display their liberality.

Sir, while this House is apparently earnest in discussing retrenchment and reform, it is discouraging to have a bill of this kind proposed so diametrically opposite. No doubt the country is to-day looking eagerly and expectantly to this House, praying that it may not make this appropriation and thereby redeeming its pledges of economy. I am not as close a student of the Constitution as many gentlemen on this floor, neither do I claim to expound any of its provisions, but I have an opinion that this act is unconstitutional. Whether it is or not, the present depressed and unsatisfactory condition of the finances of the country warrants me in voting against the bill, and I shall vote against it.

Sir, there is on the bank of the Potomac an unfinished structure intended as a monument to the great Washington. To the shame of the people of this Republic be it said, there it stands, and has stood for years, unfinished and neglected. The reverence and love for his name and his deeds which inspired and prompted the idea of erecting an enduring monument to the memory of the father of his country seem to have subsided. If so, may there be a revival, and the work go on. Sir, I do not know how I should vote were a proposition made in this House to appropriate money for the completion of that monument. I should be guided by my sense of duty. But this I do know, that when this Government is able to do it, there are nobler and better uses to which a million and a half can be devoted than to provide for the people a national holiday or to aid and strengthen an ephemeral and grasping corporation. It may be said, sir, that mine is a narrow and contracted view; that with me it is a mere question of dollars and cents; but this is as much a matter of business as of sentiment, and I am here as a Representative to guard and protect the financial as well as other interests of my people, and in that way to contribute to the glory and honor of our common country.

#### Centennial Celebration of American Independence.

### SPEECH OF HON. JAMES H. HOPKINS, OF PENNSYLVANIA, IN THE HOUSE OF REPRESENTATIVES,

January 25, 1876,

On the bill (H. R. No. 514) making an appropriation for the centennial celebration of American Independence.

Mr. HOPKINS. Mr. Speaker, I sympathize fully with the feeling of relief which pervades this House that this protracted discussion is almost ended.

It has developed some singular facts. One, that there are gentlemen upon this floor who pretend to understand the import of Judge HOLMAN's resolution better than that distinguished gentleman himself. When the anti-subsidy resolution was presented by the gentleman from Indiana [Mr. HOLMAN] he distinctly stated that the Centennial appropriation was not within its scope. Without that assur-

ance, I am persuaded, the resolution would not have passed. That assurance secured its adoption, and it is unfair now to hold it up as a record against those who may have been entrapped into voting for it.

Another singular fact is that there should be men of to-day claiming to understand the Constitution better than the men who made it and the men under whose guidance all its several parts were put into practical and useful operation.

Mr. Speaker, I do not care to split hairs about the strict or liberal construction of this clause or that of the Constitution. The theory of our Government and its organic law have been critically, ably, and elaborately discussed. I have neither the time nor the inclination, if I have the ability, to join in that discussion.

If the gentleman from Maine [Mr. BLAINE] has torn open the graves and held up before our unwilling eyes the gaunt skeleton of dead mortality, the gentleman from Virginia [Mr. TUCKER] has paraded before our equally unwilling eyes the specter of a dead idea. It was earnestly, eloquently, powerfully done. But, if I might venture upon a single criticism of that brilliant speech, I would say it was delivered almost a century too late. This is a nation, grand in its history, majestic in its power. It comes now to celebrate its one hundredth anniversary, and amid the grateful homage of all its children, to be crowned with laurel by all the other nations of the earth.

Yes, sir, this is a nation, and has all of a nation's attributes and powers. When I find that measures analogous to the one under consideration, measures not one jot more distinctly authorized than this, met with the approval of Washington, Jefferson, and Madison, of Webster, Calhoun, and Benton, I care not what they may have said about abstract questions of congressional power. I point to their acts and their votes for a practical interpretation of the functions of government. I can follow without compunction the long line of immortal statesmen which my friend and colleague [Mr. RANDALL] has just brought in grand procession before our eyes. Calhoun himself said that a line of precedents was a better interpretation of congressional powers than the most subtle of arguments.

Mr. Speaker, those who seek may find constitutional stumbling-blocks in the way of much legislation—blocks which might be unseen if there was an object to be attained beyond. On one of the early days of this session my colleague [Mr. COCHRANE] introduced and had passed a resolution donating Government cannon to a monument association. On Friday last he voted to retire a Federal judge on pay. I commend him for his support of both measures. But if he did not think it womanly and not statesmanlike to ask questions, I would ask him to point to the clause in the Constitution under which these things were done.

Goethe makes one of his characters say, with quiet irony, "So far as I, in wandering about the world, have been able to observe, statesmen are accustomed merely to forbid, to hinder, to refuse; but very rarely to invite, to further, to reward." There is too much of this sham statesmanship to-day.

Mr. Speaker, I have no jeers nor taunts for those who revere the Constitution of our country. I honor them as I honor it. But I protest against that sacred instrument being used as a shield from under which poisoned darts are hurled. My colleague from the twenty-third district alleges that the gentlemen in charge of the exhibition are prompted by mercenary motives. Now, sir, if my friend from Allegheny had known the gentlemen referred to, he would not have spoken thus; as he did not know them, he should not have spoken thus. Conspicuous among those managers are gentlemen whom two Commonwealths have honored and still honor. And the other managers are gentlemen of the highest character and of the purest motives.

My eloquent friend has fallen into another error. Perhaps it would be unreasonable to expect that in his profound study of the Constitution he should give any attention to such "inconsiderate trifles" as facts. He says "these gentlemen have thrice pledged their honor to this House that they will not ask for a dollar of appropriation from public moneys." The gentleman forgets that those having charge of this exhibition had nothing whatever to do with the passage of either the act of 1871 or that of 1872. The first act was passed in compliance with a memorial from the American Institute of New York, the Franklin Institute of Philadelphia, and from others equally disinterested and equally patriotic. The Centennial Commission are the agents of the Government to execute its will. The legislation was not their act. In compliance with their duty they report to Congress the progress of the work intrusted to them and the necessity for additional funds to complete it.

Mr. Speaker, permit me a few words on the subject of national honor. My colleague, Mr. COCHRANE, says, "National honor first requires the protection of the national Treasury." I have known men, sir, whose sense of honor and whose conviction of duty were measured by a financial gauge; but I regret to hear this avowal from the lips of one whom I respect.

In my opening remarks on Tuesday last I showed how step by step the Government had become involved in this exposition, until dishonor will inevitably follow the refusal to give material aid. No gentleman has pretended to deny the statement of facts then made nor to controvert the logical deductions therefrom.

If this were a new proposition I could join with gentlemen who cry out for retrenchment and economy. But it is too late now. When the resolution to invite foreign powers was pending, a Senator who

opposed it said if the invitation should be given Congress would have to appropriate \$15,000,000 or \$20,000,000 to save the good name of the Government. The invitation was authorized; it was sent; it was accepted. The nation's guests are at the door, bringing their tributes of admiration and respect to lay at the feet of young America. And yet there are those who would snatch the diadem from her queenly brow, strip her of all her vestments of power, and expose her naked to the scorn of all Christian, ay, and of all pagan lands.

The national honor is involved. And we need seek for no constitutional enactment to authorize the performance of an instinctive duty. Can it be that national honor may be preserved by fire and the sword, by devastation, blood, and death, by whole hecatombs of human sacrifices, by universal anguish and distress, and that it cannot be maintained by gentle and peaceful means—means which will add to our country's glory, bring back her commerce to the seas, give new life to dormant industries and new affections and new hopes to all our people?

#### Centennial Celebration of American Independence.

### SPEECH OF HON. N. P. BANKS,

OF MASSACHUSETTS,

#### IN THE HOUSE OF REPRESENTATIVES,

January 20, 1876.

The House, as in Committee of the Whole, having under consideration the bill (H. R. No. 514) relating to the centennial celebration of American Independence—

Mr. BANKS said:

Mr. CHAIRMAN: It was my privilege to be chairman in 1871 of the committee that reported a bill organizing the corporation for the purpose of celebrating the centennial anniversary of the Declaration of Independence. But I did not present that bill to the House; and though earnestly urged from many sources and in many quarters to aid its passage with my voice, I declined to do it. I thought it was possible that the corporation might come to Congress for aid which they then said they did not desire; and as I had been, in virtue of the offices assigned to me by the honorable Speaker who organized the committees of the House, mainly instrumental in securing appropriations for the representation of this country in the industrial expositions of Paris and of Vienna, I did not wish to take upon myself any further responsibility in that direction. But, sir, the expectation in which I indulged has not been realized. The corporation does not come to Congress for money; the provision interdicting an appropriation of money by the United States for this purpose is still operative and inviolate; and therefore I might have done otherwise than I did on account of the apprehension which I have stated.

As I am a member of the committee that reported this bill; as I have considered it carefully and conscientiously, and joined in the unanimous decision of my associates to report it, it might be expected that I should make some suggestions in defense of its propriety, its necessity, and its constitutionality in reply to the arguments that have been so strenuously, as well as eloquently and learnedly, urged against it. Without exaggeration, I think I may say that I have not heard in this House nor in the other branch of Congress abler or more eloquent speeches than those made upon this centennial bill. But they do not disturb me. I have listened attentively, and I love to learn from any man, whoever it may be. I follow an enemy with as much pleasure as the dearest friend if he leads me right, against one who would lead me wrong. Still, sir, if I should go back to the committee of which I am a member to reconsider this measure I should do exactly as I have done, and vote that it is not only a proper measure, constitutional in itself, but one of absolute necessity. I say further, for the relief of some of my associates upon the committee who are a little apprehensive as to what may be the result of this measure, that it is impossible that the Congress of the United States should refuse to approve it.

I want to state the question for myself. I see in this bill but one subject. I notice in the debate two subjects. Multitudes of subjects are brought in which have no relation to it, but as for the bill itself, out of its text there have been drawn two subjects for debate properly enough, which ought to be considered separately. One is in regard to the centennial corporation.

Now, sir, I am not going to vote any money for the corporation. I do not know but I might say with sincerity that it would be an improper thing to vote an appropriation for this corporation, taking into consideration the history and conditions of the act creating it, and certainly I am not at present disposed to do it. The centennial corporation is organized to make arrangements for the exposition of the industries, products, resources, elements of wealth, and other objects pertaining to the pursuits and prosperity of the people, as a method of celebrating the Declaration of Independence a hundred years ago.

I concur in the view of gentlemen on the other side, and particularly the two gentlemen from Pennsylvania, [Mr. COCHRANE and Mr. STENGER,] who have so strongly urged, one yesterday, the other to-day, that nothing is due to that corporation from us. I separate absolutely from the question before the House every consideration that

relates to or concerns that corporation just as much as those gentlemen do. I dismiss it, and if it were necessary I would reject it.

There is one clause in the bill which relates to a division of a possible surplus of funds to the United States *pro rata* with stockholders. I suggested—I will not say to the committee, because it might not be proper to refer to its proceedings—I suggested to those with whom I have had conversation on the subject that it would be better if that clause were omitted; that the United States is not a stockholder with anybody else, and can have no claim to any surplus, if any should ever exist, which is wholly improbable, nor any right to share *pro rata* with the stockholders in that corporation.

In one word, sir, this House has now nothing whatever to do with the centennial corporation, incorporated in 1871 for the celebration of American Independence. The question which is brought here is brought by the President of the United States. He speaks of the United States as a contributor of the results of our administration and the functions of our Government to the exhibition at Philadelphia. He speaks of having invited the principal nations of the earth to make representations of their industries at this exhibition, and of an appropriation that is "appropriate"—that is his word, and necessary—that is my word—to discharge that duty which he, the President, has imposed upon the officers of the several Departments of the Government and of the measures taken to induce other governments to assist in the representation of the world's industries.

Now, in all that is to be said or can be said in regard to this bill which I hold in my hand there is not one word which pertains to the centennial corporation, its management, or its object, but every word of it relates to the Government of the United States, its administration, its functions, and to the great powers of the world which, upon our solicitation, have consented to participate in the exhibition, their people and their institutions. Will gentlemen say there is any impropriety in this application for an appropriation to which the President calls our attention? If the United States propose to exhibit at Philadelphia on the 4th of July and during the summer of this year the results of its administration, to make the representation of the sublime functions of our Government, for the inspection of the world, is there any one to say it is improper for Congress to appropriate money to defray the expenses of that exhibition? What State, what municipality or what individual can we call upon to provide quarters or defray the expenses of this exhibition? No, sir, the statement answers the objection. The United States will be represented there. The Congress of the United States has authorized it. The President has been directed to make a representation in the manner and of the character prescribed by law, and it is impossible that the Congress of the United States should not have constitutional authority to make an appropriation to defray that expense.

He has done more than this. At the close of the one hundredth year of the century, the greatest which has been witnessed in the history of man, more important in its consequences, more far-reaching in its influence, more august and sublime in its results than any other period in the secular history of man, this anniversary is to be celebrated by the American people, through the instrumentality of the Government, in their own way, for reasons and purposes of their own. It was indeed a responsible step for the Government of the United States to ask other nations to assist us in this celebration.

Mr. Chairman, we stand alone among the nations of the earth. There is no other government but our own, that represents, as we do, the principle of the right of the people to organize, direct, and control their government. Everywhere else, in all quarters of the world, more or less distinctly, more or less absolutely, the foundation of the government is that of the divine right and the hereditary succession of rulers. When we appeal to thirty-eight or forty treaty-making powers, representing this opposite principle, to cross the Atlantic and take part with us in the celebration of this great day, from which dates the organization, establishment, and success of principles in which they have no confidence, and to which they are utterly opposed—when we asked them to make that day sacred in the eyes of their subjects, and the world, we assumed a serious responsibility.

But we did it. We the Congress of the United States did it. We are responsible for it. The President has acted upon his instructions. He is not responsible for it. He made this appeal to the nations of the earth. They have answered it. Thirty-eight independent and sovereign powers have signified their intention to be present here on the sacred soil of Philadelphia, at the Hall of Independence, to celebrate the birthday of this great idea—the most important day, we think, of human history.

Do you think, Mr. Chairman, that Congress and the President have authority to invite thirty-eight sovereign powers to join us in celebrating the anniversary of the birth of this nation and no authority or power and no right to grant one dollar or one dime to defray expense incidental to the exhibition of their industries? Is it possible? Ay, sir, is it possible the United States can have taken this step, can have appealed to these nations, can have received the assent of so many of these potential governments of the earth without the right to appropriate a dollar or a dime for the exhibition? I only state the question. I beg gentlemen to consider and decide whether such a result as this is possible.

Gentlemen say that it is opposed to the Constitution of the United States. I give them credit for sincerity. I pay my homage to the ability, the eloquence, the learning, with which they have urged it.



If it were true I would be with them. I will never violate the Constitution of my country for any transitory or sentimental purpose. I am not a "strict constructionist" in the ordinary sense of the word. I believe there are some things that can be done by the Government of the United States; and the strict constructionists, taking one with another, after consideration, generally find that it is impossible for the Government to do anything. There is always somebody to make an objection that the Constitution does not allow any appropriation or legislation. For a long time, sir, strict construction was successful. The strict constructionists had the control of this Government for many years. They directed its affairs, filled its offices, swayed its destinies, controlled its history. And we saw what was the result of strict construction. Suppose, sir, the Neapolitans should undertake to strap down the volcano of Vesuvius, what would be the result? Just exactly what the strict constructionists brought upon us: convulsion and ruin, threatening the existence of the Government and imperiling the liberties of the people.

We must remember, sir, that, while we adhere closely to the provisions of the Constitution, we must not, after all, deny that it has some life, and that there are some things which a government may do and must do. There was a porter on one of the steamers of the line that runs from Boston to New York—elegant steamers they are—who went to a passenger one morning and said, "I want a quarter from you, sir." "What for?" said the passenger. "For blacking your boots," said the steward. "No, sir," said the passenger, "you did not black my boots; I wear patent-leather." "It makes no difference," said the steward, "the principle is the same." Now, sir, whatever the subject or object, or whatever the authority or necessity of the Government may be, there is always some one to deny constitutional power and impede necessary legislation. No matter how inapplicable or futile the objection may be, no matter whether the Government is going up hill or down, they put the breaks on. "The principle is the same." We do not object to a proper method of construction. We do not ask for powers not clearly granted. It is the abuse of the theory of strict construction, and not the proper use of it, of which the country stands in fear. A latitudinarian construction is enervating and corrupting, but the opposite method pushed to a point of denial of the necessary powers of government, is convulsion and death. We have had enough of it. It does not, however, apply to this bill. I make this declaration, that I do not believe there is a man in this House who can name one act of the same character, that has ever been successfully opposed on the ground of a want of constitutional power since the adoption of the Constitution. Still further, I doubt if a prominent man can be named who has ever deliberately and earnestly opposed the passage of an act like this on the ground of the want of constitutional power.

I will state, sir, what the provision of the Constitution is upon which I rest the bill now before the House. I do not make any latitudinarian construction of the Constitution; I do not cite the provisions relating to general welfare, the necessity of carrying on the Government, or the duty of making it a splendid government, to which gentlemen make valid objection. I will not rest our cause upon such claim as that. On the contrary, I find in the Constitution an explicit and absolute concession of power to the Congress of the United States which covers the object we have in view.

When George III was asked in the name of the people of the American colonies to recognize the independence of their Government, he said to the American ambassador, "When your people can make a treaty, I will acknowledge their independence." They could not make a treaty under the Confederation. It was useless for the Congress of the States to undertake to make a treaty. Any one of the States could defeat it, and there were always one or more of the States ready to interpose a veto. And the King of England very justly said if they could not make a treaty they were not entitled to independence. The recognition of American independence, after seven years of war, was denied because the Confederation under which the war had been carried on could not make a treaty. It was for this reason, among others, that the Federal Constitution was formed. It gave to the executive and Congress full power to make treaties with foreign nations.

Yes, sir, we can make a treaty. The Constitution gives us the power. It is this power that makes us a nation. We can make a treaty of war, a treaty of peace, a treaty for the acquisition or the cession of territory, a treaty of commerce, navigation, friendship, and for other purposes that I cannot now specify. A treaty that has been negotiated by the President, which bears the signature of commissioners and has been ratified by two-thirds of the Senate, is in itself the supreme law of the land. If this matter had been passed upon in this manner by the Executive and Senate, the Committee of Appropriations would have been authorized to provide for the payment of the money in the regular appropriation bill, without a special vote of the House, because it would be an expenditure authorized by the supreme law of the land. But we do not claim that the measure recommended by the President bears this character. There are other compacts between independent nations. The general definition of a treaty, independent of the local laws by which it is governed, is, in general terms, a compact of accommodation between sovereign and independent States.

Now, sir, the subject which is before us is a compact of this character. It is a compact of accommodation between sovereign States. I will state, sir, in the language of the President, in order that we may properly understand it, for what purpose this compact or accommodation

has been made. All the nations of the earth have been notified by the President that it is our purpose to celebrate the hundredth anniversary of American Independence by an exposition of the principal industries of the civilized world. And they have been requested to call the attention of the people of their several nations to this subject, with a view to their participation in the universal exposition—

"In the hope that the interchange of national sentiments and friendly intercourse between the people of the nations may result in new and still greater advantages to science and industry, and strengthen the bonds of peace and friendship which happily exist between them and the United States." "A cordial invitation is extended to every nation of the earth, and a formal acceptance of the invitation is requested previous to March 4, 1874."

Thirty-eight independent and sovereign States, we are informed, have signified their acceptance of this invitation. Now, we have treaties with all these nations—treaties of amity, peace, commerce, navigation, friendship, and good understanding. They have been negotiated under the treaty power given by the Constitution. There is another provision of the Constitution, printed upon the thirteenth page of the Manual, which gives to Congress power—

"To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof."

Of these "other powers" that of entering into treaties is one. We have a power therefore to execute those provisions. The purpose declared by the President in his invitation to foreign States was for the purpose of strengthening those relations which we had established with them in pursuance of the Constitution, and it is for the purpose of carrying out the objects for which these treaties were made that the appropriation is asked.

There are many precedents for legislation of this character. I am not going to present a detailed account of them, but only to name them.

There was, for example, the South Sea expedition.

Sir John Franklin's bark *Resolute*, found in the Arctic Ocean by a Yankee sailor, was refitted and sent to England as a present at a cost of \$40,000. It was moved by a Virginia Senator, a strict constructionist, Mr. James M. Mason.

An appropriation was made to relieve sufferers from an earthquake in Venezuela.

A very liberal appropriation was made to send food to Ireland, which Mr. Calhoun asserted was constitutional.

Large appropriations were made to represent our industries at London, Paris, Vienna.

The friendly offices of this Government have been successfully tendered to the South American republics for promotion of peace between them and Spain.

Our diplomatic and consular officers were authorized by the Government, and appropriations made, to give the protection of the United States to the citizens of twelve different nations (five European, seven American) in France during the war between France and Germany in 1870.

Of course no one will pretend that the Constitution actually provides for services of this character in which the people of the United States could have no direct interest whatever, or that there is any clause of the Constitution expressly authorizing expenditures for such purposes. Gentlemen have said during this debate that such precedents furnish authority for doing many other things which may seem right and proper, regardless of the fact that the Constitution confers no express authority for such legislation. I do not accept these views of constitutional power. If the Constitution does not authorize such acts by a fair and reasonable construction of the Constitution they ought not to be passed. It is by no means clear that, because one thing has been done without express grant of power, anything else may be done or that the act itself may be repeated as often as we choose; but the fact is clear that all of these appropriations were considered as being strictly within the pale of the constitutional power of Congress. It was no sentiment of gratitude or generosity that led to this. It is not just to say that Mr. Calhoun advocated sending food to Ireland because it would secure for his friends the votes of Irishmen in this country. These measures were intended and calculated to give effect, and to strengthen the beneficent influence of the various treaties into which we had entered with other nations from the foundation of our Government. They were substitutes for appeals to the dread arbitrament of war. Their purposes were partially set forth in the titles of these international acts of legislation. They are variously described as treaties of amity, peace, concord, commerce, navigation, friendship, and good understanding, embracing all the purposes that can be brought within the pale of friendly intercourse between civilized nations, and this line of legislation differs so far from the ordinary course of constitutional enactment that it gives Congress, by express declaration, the power to enact laws for the purpose of giving effect to and strengthening the friendly intercourse between us and other nations, based upon the treaties that from time to time have been ratified and approved by the appropriate departments of the Government. If the three departments of the Government can enter into treaties with other nations, they can pass laws to secure the objects contemplated by the treaties themselves. The express grant carries with it the incidental power.

One power includes the other, and the first being granted in express terms by the Constitution under a government created for the express

purpose of being able to enter into treaties, the power of legislation in support of the objects contemplated by the treaty is also expressly granted in the subordinate clause of the Constitution I have cited.

Now, if there are any precedents established against this theory of the constitutional enactments I should like to have them presented. When has the Government refused any act of this kind for want of constitutional power? They may have objected to it as unwise or inexpedient, but whenever the act was intended to give effect to treaty relations between this Government and others, the constitutional power necessary for this purpose has been recognized, and no man in my opinion can gainsay or deny it.

Now let me read from the President's message:

"The exhibition being an international one, and the Government being a voluntary contributor, it is my opinion that its contribution should be of a character, in quality and extent, to sustain the dignity and credit of so distinguished a contributor. The advantages to the country of a creditable display are, in an international point of view, of the first importance, while an indifferent or uncreditable participation by the Government would be humiliating to the patriotic feelings of our people themselves. I commend the estimates of the board for the necessary additional appropriations to the favorable consideration of Congress."

I ask any member of this House if there is any want of constitutional power to perform these acts, either as it regards those connected with us by solemn treaty, or the exposition itself which is intended to celebrate the hundredth anniversary of the declaration of a determination on our part to maintain the principle of the right of the people to control their own Government?

Now, sir, I ask gentlemen to look at the list of states that are to be represented. I had a memorandum of them, but I misplaced it. They include Great Britain, Russia, Japan, China, Egypt, Siam, Tunis, and nearly all the South American Republics. Tunis is coming, to which for nearly a quarter of a century the United States paid tribute. What power is there in the Constitution that authorized Congress every year to vote ten or twenty thousand dollars to any other nation for the recognition of our right to exist? What man can cite an express grant of power for that, and who can deny that it was done year after year by the unanimous vote of Congress, including the ablest men ever connected with its administration—strict constructionists and others. Was anything ever proposed more monstrous than that Congress has an express grant of power to appropriate money to pay tribute to the Algerine pirates that our flag might be recognized? But it was done; done in silence and without dissent. It was the treaty-making power that authorized it. It was a substitute for war, and when we were ready we put an end to it by war. And yet when the purpose is to celebrate the results of these hundred years, to give an illustration of the functions of government with a view to show our prosperity in peace, our unity and strength in war, and when the representatives of thirty-eight of the principal nations of the earth from the four quarters of the globe, with the proofs of their industrial capacity and wealth are here, does it become us then to raise the question of the constitutional power of Congress to make the requisite appropriation for the protection of the works of art which they are invited to bring with them?

[Here the hammer fell.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. BRIGHT. I ask unanimous consent that the gentleman be allowed to proceed.

There was no objection.

Mr. BANKS. I thank the committee for its kindness, and will not long trespass upon its patience. The power being conceded, as I think it must be, and the objects being wise and patriotic as I think they are acknowledged to be, and the august parties that by order of Congress were invited to assist in the celebration having accepted the invitation, I do not understand how we can avail ourselves of any reserved constitutional power to refuse such appropriation of money as may be necessary for this purpose, for the protection of their property which at our suggestion they bring with them; and the bill before us expressly provides that the appropriation is to be applied to this purpose. It is to "complete the centennial buildings and other preparations."

I said that a treaty was defined to be a compact of accommodation between independent and sovereign states, and I say that this case, as presented by the President of the United States to this House in his annual message, is a compact, and in that limited sense a treaty, and requires of Congress the appropriation that the President recommends, if we find it to be reasonable. It is impossible that, having taken this position, or the one taken by our predecessors and binding upon us as upon them, when these thirty-eight nations having accepted our invitation shall present themselves on our soil, we cannot for want of constitutional power refuse whatever may be necessary to provide for their proper reception and protection. We have precluded ourselves against that. We have declared, against the express provision of the Constitution, in its letter though not its spirit, that they shall not be required to pay duties on their importations which other parties are required to pay. Are we to repeal that? Are we to strike down that statute which has already been enacted, and upon which these nations have consented to come here? That is impossible. I can say that whenever the vote shall come, whether to-day or hereafter, I believe that it will be impossible for this Congress to refuse any appropriation that shall be deemed necessary to make good the engagements with which in this respect alone we have entered into with the treaty nations.

Allusion has been made to the expenses of this celebration. I am one of those who believe that the present troubles of this country arise chiefly out of its excessive expenditures and its gigantic public debts, municipal, State, and Federal. That should be remedied; and I am here to do whatever is reasonable and right for that purpose, come the proposition from whatever quarter it may. But that does not relieve us from the obligations we have entered into with other governments, especially in regard to the celebration of the anniversary of the establishment of this Government as an independent Republic. No local and temporary necessities of this character can relieve us from a duty of that kind. It is an agreement—a compact. We have invited the nations of the earth, and they have accepted our invitation. We must meet any reasonable and just demands, whatever they may be, which they can make upon us to complete this action. They have the right to require it; but we need not look to them for any suggestion on that subject. The President of the United States has stated what he thinks would be proper in view of what he has done as the representative of the Republic by directions of Congress.

The expenses of the exposition, so far as this corporation itself is concerned, do not trouble me, whether they shall be more or less. Whether the deficit shall be greater or smaller is no affair of mine. But I will say for this corporation that the people would gladly have met any expenditure necessary if in their power. But unhappily, improvident and unwise legislation, for which I am ready to take my full share of responsibility, has made it impossible for the people to do what otherwise they would gladly have done.

I speak for the town in which I live, where men, women, and children have exerted themselves to the utmost to raise funds to eke out the scanty resources of the centennial corporation. But the times are hard; people are out of employment; the insecurity of the future makes it difficult for them to do more. If we had the prosperity which we seemed to have had ten years ago, but which for some cause or other has taken wings and flown away—if we had this, the centennial celebration would have needed no assistance from Congress, for the people would gladly have given the requisite aid; for it is the celebration of the people, its success is their success, its honor is their honor, its promise for the future and its glory forever is their hope and their glory.

There is another subject of interest. I speak with deference of this House, of which I am a member, and of other bodies, charged as we are with legislative powers as representatives of the people. I repeat here and now what I have said constantly to the people I represent. They know my sentiment on this question. It is impossible for us, in the spirit with which we approach all questions, ever to come to any common sentiment that will lead the country out of its difficulties. What I have seen here this morning, what I observed on the other days of this week, and what I expect to witness in the future, confirms me in that opinion. We are gladiators, and it seems to me that each and every one of us would be perfectly willing to destroy the country if we could annihilate our opponents. No higher sentiment, no grander purpose seems to exist than that of fastening upon the opposition some opinion or act which by hook or crook, by perversion or controversy, may stamp the character of disloyalty or public crime upon its members. And on their part, there is nothing on the side of those who represent the administration of the Government that is not discredited by falsehood, fraud, and usurpation. So it will go on to the end. But there is another tribunal, thank heaven! There is another tribunal that is not inspired by such motives or such passions.

The gentleman from Virginia [Mr. TUCKER] said yesterday that he appealed to the democratic and republican members of the House. Sir, I have no appeal to make to democrats or republicans. I do not know what they may propose, still less what they may do for the relief of the country. I do not rest my faith in them. My hope is not there. I have an ever-abiding faith, which I think will be realized, elsewhere. I salute the august majesty of the people behind them;—the people, who know their stake in the condition of the country and their way out of its perils. They know perfectly well that peace does not lie in the direction of a continuance of the war, and that their prosperity is to be assured by the dismissal of the controversies growing out of it and the reconciliation of the different interests, races, and sections of the country in support of the Constitution of the United States and the laws made in pursuance thereof. [Applause.]

Sir, I want these people to meet in Philadelphia on the day of the Declaration, or some other day that may be appropriate, that they may know each other. It is a great thing to know the men with whom we are associated, and particularly our antagonists. "Know thyself" is a good maxim; "Know thy neighbor and love him" is another. At one time I believed that there would be in the hearts of the people upon the recurrence of this grand anniversary a spirit of fraternization, but I did not know it. When an honorable gentleman who served in the Army with me during the war wrote to me from the city of Baltimore inquiring whether if the Fifth Regiment of Maryland Volunteers should visit the city of Boston on the anniversary of the battle of Bunker Hill some recognition on the part of the veterans of the Union Army might not be made, I ventured to assure him that the Fifth Regiment of Maryland would be received with open arms and hearts, not only by the soldiers but by the people. I believed it but I did not then know it. A few of the veteran soldiers of the Union



Army provided a national flag as a fitting compliment to that unsurpassed organization, and the gallant officer that commanded the regiment accepted it with the declaration that it should be cherished with the affection that a son feels for his mother, and defended with their lives if necessary.

This morning I received from my comrade in arms, writing upon subjects wholly apart from legislative or political interests, an assurance that it was my letter, written in doubt and apprehension, that led to the visit of the regiment to Boston. How well I had anticipated the patriotism of the people of Massachusetts the country knows. The spectacle of the 17th of June, 1875, will never be repeated again and can never be forgotten by those who shared the universal joy it inspired. Why was it? If you had asked any one individual out of the quarter of a million people that participated in that demonstration what were his sentiments, he would have had the same doubt, the same distrust, the same apprehension that I had. But when they stood together—when they felt the presence of each other and touched the elbow as soldiers did in the war—they knew where they were and by what inspiration they were guided and governed.

The same spirit I have no doubt animates the whole country. The people of every section, South as well as North, East as well as West, desire the restoration of peace, the fraternization of the races, the re-establishment of that unity and loyalty which is indispensable to the maintenance of republican government. That will be the spirit and determination of the millions assembled during the summer at the centennial exposition at Philadelphia. It will represent the true interests of the country and exhibit the real sentiment of the people. It is for reconciliation and peace, the restoration of a common prosperity, and the preservation of universal liberty!

But, sir, what do we find here? I speak, as I have said, with great respect for the House of Representatives and all its members, whatever party or section they represent. A sort of specter seems to stalk before us. Threatening sounds seem to be floating in the atmosphere around us, caught up and repeated by interested partisans, that bid us hold our peace. We are not the representatives of the people upon these questions, and we dare not be. Very likely, sir, we have not a right to be the representatives of that spirit even if we know what it is. It is better that the people should speak for themselves. We are fighting the old battles over again. We are occupying the stage with the repetition of these scenes of sorrow or of triumph, while the people in the background are preparing another scene that shall be brighter and happier for the country and the human race than anything that we are doing, and that act will come off at Philadelphia, where the people will rally as they did at Lexington, Concord, and Bunker Hill.

The people of Lexington feared that nobody would attend their celebration. Concord was to have one on the same day, and she had claims as strong as Lexington. The President was to be there, with Cabinet officers, members of Congress, officers of the Army and Navy, the governor of Massachusetts with his military attendants, and the Legislature of that State. The whole country seemed to have said with one accord, We will go to Concord and celebrate the first fight of the year 1775. But when the people of Lexington awoke on the morning of the 19th of April they found their little town absolutely invaded by thousands and tens of thousands of people, who could scarcely find room to turn around.

And so, sir, it will be in Philadelphia. The people will be there, and they will say, whether they come from Massachusetts or Georgia, what cannot be said by this House without apparent offense, without some idea that it is intended or may result in a disturbance of our position and places—these people will say, "We have come home to the house of our fathers, and we have come to stay." [Applause.] That will be their sentiment and that will be their cry. I hope, sir, to see upon their banners and to hear at the street corners the declaration of the people, "We have come home to the house of our fathers, and we have come to stay."

Mr. Chairman, one word more and I will leave this question to the decision of the House, indifferent what may be its present judgment. I will speak a word on the position of the American Republic in regard to other nations of the earth.

Sir, we have been quoting the sacred scripture. I should like the gentleman from New York [Mr. TOWNSEND] to introduce his Bible. It has much to do with the position we occupy. It says that in the beginning "the word was with God," and He said "Let us make man in our own image, after our likeness; and let them have dominion." If there is any truth in the scripture, the right of government was from the beginning of creation given to man, including, of course, woman, and for five thousand years in all the governments of the earth the right of the people to manage their own affairs and to elect their own ruler was the universal law.

Somewhere near the eighth century, when Pepin, father of Charlemagne, and Charlemagne—himself greater than his father—burst with their splendor upon the benighted states of Europe, they, with the aid of the church, established an opposite theory of government: that the ruling families received their power by divine law from divine authority, and that it descended in a hereditary line from the father to the son; that the ruler owed his authority and power to a dispensation of God given directly into their hands, and that absolute and abject obedience was the duty of the people. In a few centuries

had been changed the theory of government which had lasted for five thousand years, and that of abject submission for the people and divine right for the ruler had been established.

One by one the governments organized by the people were swept out of existence. More than three hundred republics, large and small, which dotted the surface of Europe, were destroyed.

It was after a survey of this scene of desolation, of the destruction of the governments of the people and the establishment of the principles of hereditary succession and divine right, that the first poet of his time, a half-century ago, gave utterance to his grief and that of the people for whom he sacrificed his life, in undying verse:

The name of commonwealth is pass'd and gone  
O'er the three fractions of the groaning globe;  
Venice is crush'd, and Holland deigns to own  
A scepter, and endures a purple robe;  
If the free Switzer yet bestrides alone  
His chainless mountains, 'tis but for a time,  
For tyranny of late is cunning grown,  
And in its own good season tramples down  
The sparkles of our ashes. One great clime,

Still one great clime, in full and free defiance,  
Yet rears her crest, unconquer'd and sublime,  
Above the far Atlantic!—She has taught  
Her Esau-brothers that the haughty flag,  
The floating fence of Albion's fessler crag,  
May strike to those whose red right-hands have bought  
Rights cheaply earn'd with blood.

And in the agony of despair he called the suffering millions of Europe "over the deep" to—

Fly, and one current to the ocean add,  
One spirit to the souls our fathers had,  
One freeman more, America, to thee!

That is a brief statement of the history of government. To-day one State stands alone, self-possessed and confident, maintaining the principle of the right of the people to govern themselves. It is the Republic of the United States of America. We have begun to reverse the course of history for a thousand years past. Little by little we have invaded and undermined and occasionally destroyed elsewhere the theory of hereditary succession and divine right. The people of the East turn their eyes imploringly to the West for counsel and courage. Europe is everywhere moving for free government. The great Queen who sits upon the throne of the British Empire, more than equal to any ruler that wields executive power, said, when the people of Spain placed Prince Alfonso upon the throne, that she would not recognize the new government of Spain until she was informed whether or not that government was to be in conformity with the wishes of the people of Spain. Great Britain is day by day extending the elective franchise to her people, and the time is not distant when they will all enjoy as we do, without distinction of condition or caste, the inestimable privileges of free government.

The Scandinavian republicans are contending for universal suffrage. The vote which France took only last Sabbath shows that an immense majority of her people—more than six to one—seeks a resting-place between communism on one side and despotism on the other, those twin enemies of liberty in France. Italy, a free country, has been made free by the intellect, strength, and courage of her people. The late Mr. Sumner used to say that Russia at a day not distant would be a republic, and, he believed, the first republic in Europe. And wherever we turn we see that the example of the United States is silently undermining the union of church and state, and the principle of hereditary succession and the divine right of rulers.

Now we invite them to come here and witness the institutions and make the acquaintance of the people that for one hundred years have led this movement. Thirty-eight of these states accept our invitation. For the purposes of this bill they are here. And who shall say that the people of the United States will not grant the slight appropriation that is necessary to protect from the inclemency of the weather or from ill-disposed persons the art treasures of the Old World, the triumphs of its industry, or the property brought to us at our request? Who will say that it is not within our constitutional power, when with all these nations we have treaties of amity and peace, of commerce and navigation, of friendship and good understanding? and while this, as the President has said in his proclamation, is intended to strengthen the ties that bind us together, who will say the Constitution gives no power to pass this bill?

Sir, I take no exception and make no complaint of what has been said by gentlemen on the other side. As they view this subject they may be right; but I stand myself on the distinct declaration that the question of the centennial corporation is not embraced in the bill before us, and that no man can shield a negative vote on the ground of any objections he has to that corporation. The question for us is whether we shall confirm the action of the President of the United States, made in pursuance of the Constitution and the laws of Congress. Sir, a negative will discredit the character of this country and its people more than the atrocities of the rebellion, because they will show not only a want of integrity, but of decent respect for the obligations entered into upon our own motion and for our own advantage, with other nations. On the other hand, if we shall give it a unanimous vote, which I hope to see before the session closes for this bill,—to use the language of one whose words were quoted on the other side against it, a man who sacrificed his life to the spirit of peace, who deprecated

war, and the consequences of war, from which we are this day suffering, and whose well-beloved son died in defense of the liberties of his country in front of the capital,—in the words of that man who spoke as no other American has spoken, if we shall give an approval of this recommendation of the President with that unanimity which is justified by the action of foreign states that join us in the celebration of the great day which marks, as we hope, the regeneration and the redemption of mankind, the name of America will be embalmed in the memories of men as if it were "written in letters of living light between Orion and the Pleiades." [Applause.]

Reply to an attack upon California.

## SPEECH OF HON. HORACE F. PAGE, OF CALIFORNIA,

IN THE HOUSE OF REPRESENTATIVES,

February 26, 1876.

Mr. PAGE. Mr. Speaker: The gentleman from Pennsylvania, [Mr. KELLEY,] in his speech upon the finances, on Saturday last, made a comparison between the State which I have the honor in part to represent on this floor and the States of Minnesota, Iowa, and Wisconsin in respect to the growth and prosperity of these States, greatly to the disparagement of California, and ascribing the alleged contrast to the fact that California had repudiated and nullified the legal-tender act.

The gentleman said in referring to the remarks of Mr. BLAINE, of Maine:

That was an unfortunate reference the gentleman made to California. He held her up as an example of prosperity to be envied by the suffering people of her sister States, and ascribed her prosperity to her repudiation and nullification of the legal-tender law. Sir, it may be an act of temerity, but I am prepared to present her as a warning to those citizens of other States who believe that by contracting the volume of money they can promote the welfare of the people or hasten the day when prosperity shall again dwell within our borders.

He proceeds:

While immigrants have flown into the cold Northwest by the thousand, they have hardly gone into California by the score, and her laboring classes are pariahs, who do not speak our language or seek to establish an interest in our country by acquiring homes or land, so that there, among the golden sands and verdant fields of California, is the land owned by a few capitalists and the labor performed by homeless wanderers. Do I exaggerate the picture? Let facts speak.

Let me compare her with States of her own age who are almost absolutely without mineral resources, whose summers are brief, whose winters long and severe, whose farms lie nearly two thousand miles from the seaboard, the profit on whose products is greatly reduced by the immense cost of bringing them to market, and the cost of the manufactured articles they consume enhanced by the fact that they have to traverse the same long lines of transportation. Let me compare California with Iowa, Wisconsin, or Minnesota. In order to do this justly, we must bear in mind the fact that California was admitted to the Union September 9, 1850; that Iowa, having been admitted December 28, 1846, had preceded her not quite four years; that Wisconsin was admitted May 29, 1848, preceding her a little more than two years; and that Minnesota was admitted May 11, 1858, and is therefore nearly eight years her junior. How do these purely agricultural and almost hyperborean States compare in all that constitutes the true greatness of a State with their more richly endowed and happily located sister? The extent of her territory is vastly greater than that of any of them, yet the census of 1870 shows her population to have been but 322,031, of whom 49,310 were Chinese; while Iowa, four years her senior, had a population of 1,689,637; Wisconsin, but two years her senior, a population of 1,064,985; and Minnesota, nearly eight years her junior, was nearly her equal in population, having 446,036.

Time will not permit me to run a parallel between her and each of these States. To make the contrast with Iowa would present differences so striking and immense that they would stagger credulity. I therefore take Minnesota, the youngest—eight years, or nearly one-third younger than she—and the most remote from the sea-board, the one also which stretches farthest into the wintry North, whose boundary is the northern boundary of the country, and whose season for the growth and gathering of crops is limited to half the year. The area of California is 188,918 square miles, and that of Minnesota 83,000. In 1860 California had 379,994 inhabitants and Minnesota but 172,053; the increase in California for the succeeding ten years was but 108,223, while that of Minnesota was 374,033, which is 83,410 in excess of the increase of California, which started into the decade with more than 100 per cent. in advance. The assessed wealth of California was in 1860 \$130,654,667, and in 1870 it was \$299,644,068; an increase of a little more than 90 per cent. The assessed value in Minnesota in 1860 was over \$32,000,000, and in 1870 over \$84,000,000; an increase of over 160 per cent. The assessed value of real estate in California in 1860 was over \$66,000,000, and in 1870 was over \$176,000,000; showing an increase in real estate of over \$109,000,000, leaving but about \$20,000,000 to evidence the increase of every other species of property. The assessed value of real estate in Minnesota in 1860 was over \$25,000,000, and in 1870 over \$62,000,000; showing an increase of more than \$36,000,000, or nearly 150 per cent., and an increase of personal property of over 220 per cent. The indebtedness of California exceeds that of Minnesota by over \$15,000,000. The taxes paid in Minnesota in 1870 were \$2,648,372 in legal-tender money, being \$5,317,734 less than were paid in California in gold. Minnesota had in 1870 923 more schools than California, and the number of children in attendance in the wintry State of the Northwest was 5,313 in excess of those attending in the genial climate of California. Minnesota had 234 more churches than California, fewer convicts by 1,426, and there were 844 fewer patients in the insane hospitals and asylums in Minnesota than in those of California.

How, Mr. Chairman, are we to account for these startling contrasts? Climate, soil, natural productions, geographical position, all favor California. Why is she thus lagging in the race for civic supremacy? Is it because she has preferred to maintain as money a currency composed of a commodity which other nations need and the volume of which cannot increase in a debtor State or nation, and thus to make all enterprise depend on the use of private credit; has maintained a monetary system by means of which they who lend credit absorb the sweat of the laborer's brow, together with the results of all productive industries. California rejected our national system of money, which, though called into being by the exigencies of

the war, was, as I have shown, abundantly authorized by the terms of the Constitution, and in doing so deprived herself of that agency—a cheap, safe, and inextinguishable medium of exchange—which made the progress in wealth and all the blessings attendant upon wealth, churches, schools, galleries of art, improved means of transportation, and other commercial facilities throughout the North and East more remarkable than had ever taken place in any decade in the history of this or any other country. Who, in view of these facts, will claim that metallic money has been a blessing to California?

Now, sir, while it is true that gold and silver are the circulating medium of that State, it is not true that the State has either repudiated or nullified the legal-tender act. The only law touching that subject ever passed in that State was what is commonly known as the specific contract law, passed in 1862, which provides that parties may enter into a written contract for the payment of any specific kind of money, and did not preclude parties in the absence of a written contract from paying in the legal tenders of the country.

There was nothing like an attempt at repudiation or nullification of the legal-tender act, and no prohibition was put upon the people from using whatever circulating medium they saw fit in the making or discharge of contracts, either foreign or domestic.

The truth is, sir, that the people of California use gold and silver as a circulating medium because they furnish a currency less liable to fluctuate in value, because their use kept the State on an even financial footing with all the countries of the world and at a disadvantage with none.

But the gentleman presents her as a warning to those who believe that by a metallic currency they can promote the welfare of the people—and gives figures to show the deep humiliation to which the use of hard money has brought her in comparison with the other States named. He would have you believe, sir, that she is now sitting in sackcloth and ashes amid the ruins of her once promising but now desolated industries and the wrecks of a once glorious commerce in all the wretchedness of despair.

But his anxiety to make his warning effective has led him away from the true state of the case, as I shall presently show.

The gentleman compares the growth of California with Wisconsin, Iowa, and Minnesota.

Sir, all other things being equal, the development of these States before that of California was according to the regular and established order of things. The star of empire in its westward way lights up the whole line of its track. It leaves no dark spots behind. Even the arid desert and rugged mountain kindle under its beams. Those States nearest the center of population are first developed, while those less accessible have to wait for the coming in of the tide.

Up to the time the overland railroad was opened California was practically inaccessible to the majority of those seeking new homes in the West, not only in view of the expense, but also of the length of the journey, the dangers of the sea, and the malaria of the isthmus. It cost a man without his family \$300 for passage from New York to San Francisco, and with his family at least \$1,000, while he could go to either of the States of Iowa, Wisconsin, or Minnesota for from twenty to thirty dollars, and take his family with him at an expense of about a hundred dollars. Nor did the inhospitable plains and snow-capped mountains of the overland route offer better inducements in respect either to safety or expense. In the mean time the States of Iowa, Wisconsin, and Minnesota were in direct and easy communication with the great centers of population by both land and water. And this, sir, will account for the greater rapidity with which these States have been populated and developed. But since the completion of the Pacific Railroad the increase of population of California, the facilities of travel being to that extent improved, will compare favorably with any of her sister States. In the single month of May, 1875, her increase of population was 15,261, and in the whole year more than 110,000, exceeding that of 1874 by 18,000 and more than four times that of 1872. On the 1st day of January, 1875, her total population was nearly 800,000 against 530,000 in 1870, an increase in five years of about 51 per cent., while the population of Minnesota was in 1875 about 600,000 against 440,000 in 1870, an increase of about 50 per cent. And this with only one railroad, while the States of Minnesota, Iowa, and Wisconsin have for years past had roads within signaling distance of almost every hamlet within their limits. At this ratio California will more than double her population during the present decade and have in 1880 more than a million of inhabitants.

It is not my purpose to disparage any of the States of this Union. My purpose is simply to defend my own State from the ungenerous and unwarranted attack of the gentleman from Pennsylvania; and in doing so I shall give facts, and when I have concluded I will leave the gentleman to trace out a comparison between California and his own great State of Pennsylvania, the land of William Penn, whose history dates back to a time long anterior to that of the Union; whose manufactures and commerce contributed so much to the progress of the early colonies; whose wealth and power have long been the pride and boast of her sons, and hails herself the "key-stone" of the arch.

In 1870 the population of Pennsylvania was 3,500,000; in the same year that of California was 530,000. In 1875 the population of Pennsylvania was 3,750,000, while that of California was 800,000; showing an increase in favor of the latter State of about 43 per cent. in the last five years.

In the year 1875 the assessed valuation in California was \$655,036,235, an increase of \$386,000,000 since 1870, and a *per capita* of nearly \$900; more than double that of Pennsylvania.



On the 30th of June, 1875, the merchant-vessels belonging to the district of San Francisco numbered 717 sail, with a tonnage of 88,066; and steam 151, with a tonnage of 42,139. While at the same date the number of sail-vessels belonging to the district of Philadelphia was 822, measuring 113,111 tons; and the number of steam-vessels was 278, measuring 78,000 tons.

The gentleman says that the indebtedness of California exceeds that of Minnesota by \$15,000,000.

Why, sir, the debt of the State of California on the 30th day of June last amounted to only \$3,302,283, including \$731,500 in bonds, and these are held by her own educational department; while the whole State, city, and county debt of the State of Pennsylvania in 1870 was \$89,027,131.

The following table will show the productions of California for 1875:

	Value.
Wheat, 17,000,000 centals.....	\$26,000,000
Gold and silver.....	25,000,000
Wool, 44,000,000 pounds.....	8,000,000
Wine, 10,000,000 gallons.....	3,000,000
Fruit crop.....	2,000,000
Barley, oats, hay, &c.....	5,000,000
Dairy products.....	5,000,000
Lumber.....	5,000,000
Coal.....	1,250,000
Quicksilver.....	2,000,000
Copper, &c.....	250,000
Manufactures, value added of labor.....	41,000,000
<b>Total.....</b>	<b>123,500,000</b>

#### To summarize:

Wheat yield 1875, centals.....	17,000,000
Wheat yield since 1856, centals.....	300,000,000
Wool clip 1875, pounds.....	44,000,000
Wool clip twenty-three years, pounds.....	300,000,000
Receipts of quicksilver 1875, Alaska.....	50,000
Product of wine, gallons.....	10,000,000
Receipts of lumber, feet.....	30,000,000
Coal receipts sixteen years, tons.....	2,500,000
Wheat and flour exports 1875, centals.....	8,500,000
Wheat and flour exports nineteen years, centals.....	73,000,000
Wool exported 1875, pounds.....	48,183,017
Total increase of population during 1875.....	113,000
Value of the productions of the State.....	\$124,000,000
Value of manufactures.....	63,000,000
Gold and silver product of the coast 1875.....	100,000,000
Product of gold and silver twenty-five years.....	1,700,000,000
Treasure exports 1875.....	43,000,000
Treasure exports nineteen years.....	750,000,000
Coinage of San Francisco mint 1875.....	32,000,000
Coinage for last twenty-two years.....	410,000,000
Dividends declared 1875.....	17,000,000
Deposits in savings-banks of California.....	75,000,000
Banking capital of the State.....	155,000,000

The gentleman from Pennsylvania lashes himself into a fury in his eagerness to prove that a paper currency with no fixed value is a greater blessing to the people than a hard-money currency with a fixed and certain value that passes current throughout the world.

The gentleman from Maine [Mr. BLAINE] held up the State of California as worthy of imitation. The gentleman from Pennsylvania presents her as a frightful warning to the country, and charges her with nullification and repudiation of the legal-tender act because she chooses to pay the laborer for his day's work in gold—a dollar of which will buy nearly a dollar and fifteen cents of his legal-tenders.

Mr. Speaker, I trust that the facts which I have presented will dispel whatever fears have existed that a community cannot be prosperous that has gold and silver for a circulating medium. The gentleman says the fires have gone out in the forges in Pennsylvania and thousands are there out of employment. It is not so in California. No State in the Union, and perhaps no place in the world, pays better prices for labor than California and Nevada, and nowhere are the laboring classes in a better or more prosperous condition than in those two States. There is to-day in California nearly \$75,000,000 in gold in the savings-banks of that State, the earnings and savings of her laborers, whom the gentleman has been pleased to characterize as "homeless wanderers."

I am not here to deny that there were some in California who doubted the policy of the State in not adopting the legal-tender as a circulating medium, but all such doubts have been dispelled by subsequent events.

Sir, while the commercial interests of the country here in the East were staggering under the panic of 1873; while fortunes here were being swept away in the maelstrom of financial disaster, the results of inflation and wild speculations; while failure after failure was daily chronicled upon your bulletin-boards; while ruin and starvation were settling like a pall over the land, California stood amid the general wreck unmoved. She suffered no perceptible inconvenience.

And now, while my friend from Pennsylvania and some of his democratic allies in this House on the subject of inflation are promulgating their wild and visionary theories on finance, and while the majority party of the House are exhibiting a masterly inactivity and inability to restore prosperity to the country, California and Nevada will produce bullion enough to supply the place of every legal-tender in circulation, and that within the next three years.

I desire, in this connection, to publish as a part of my remarks an article from the San Francisco Journal of Commerce, which will, much better than I can myself, explain the cause of the temporary suspension of some of the banks of California last fall, and from which

the State so speedily recovered—another evidence of the soundness of our monetary system:

The depletion of our coin balances it was which immediately led to the suspension of the Bank of California on the afternoon of August 26 last, an event which has prostrated almost every kind of business since then, and which, but for the extraordinary soundness of our financial and commercial system, would have been productive of results fully as disastrous as those that followed the great eastern panic of 1873. We have said that the heavy coin export was the immediate cause of the failure; it was not, of course, the underlying one, and there were several collateral causes. The bank, through its late president, had loaned heavily on mining and water stocks, which immediately previous to the suspension had declined in an alarming ratio, and which were utterly unavailable when most needed. Extraordinary purchases of wheat had been made from the farmers, and as much as \$6,000,000 had been withdrawn from the coffers of the bank, principally from those of the Bank of California, to meet them. The decline in stocks caused the big brokers who had heavy balances in the bank to make haste to withdraw them, and this becoming public caused the run resulting in suspension. A panic of the most fearful nature was the result; almost every bank in the city had a run which ended in the temporary suspension of all affected save the London and San Francisco Bank and the Anglo-California Bank, which, aided by the transfer of \$700,000 from their friends in the East, paid every demand presented until the feverish public feeling existing had calmed down. Then turned the tide—the savings-banks had protected themselves by enforcing the agreement requiring notice to be given on the withdrawal of large deposits, and one by one the banks that had temporarily closed their doors again re-opened them. The National Gold and Trust Company, however, since sustaining a second run, has finally gone into liquidation, but will pay all depositors dollar for dollar. The immediate result of the panic was an almost universal suspension of business, the suspension of one or two large and well-known firms, and the temporary embarrassment of some of the greatest operators in produce on the coast. But a re-action soon set in; people were more frightened than hurt. The Bank of California re-opened a month later with a subscribed capital of upward of seven millions of dollars—the subscribers being financially the soundest men on the coast, and its directors, having effected arrangements with the larger depositors, announced their intention of immediately satisfying the smaller, and of ultimately not only paying dollar for dollar, but also a reasonable interest.

While all this tended to restore confidence, the opening on October 4 of one of the greatest banks in the world, the Bank of Nevada, popularly known as the Flood & O'Brien bank, with a capital in gold coin of \$5,000,000, had an immediate effect in establishing our credit both at home and abroad on a firmer foundation than ever. This was soon followed by the announcement, first made by the San Francisco Journal of Commerce, that a new bank with a capital of \$5,000,000 was to be opened by Lazare Frères, heretofore reckoned as among the largest importers of the city, and people felt that what elsewhere would have been a most serious blow to the general prosperity for years would here have only a temporary effect. The bank of California had been to this State and coast what the Bank of England is to the financial system of Great Britain and its dependencies, and we believe that in no other country in the world would a similar instance of almost immediate recuperation have been exhibited. The only drawback that has since occurred has been the suspension of the Commercial Bank, which has boasted a nominal capital of \$5,000,000, but which has never had deposits to exceed \$30,000, and whose demise has been in no sense felt by the community. Such a crisis could not have occurred in any other country in the world without failure after failure; and the fact that only two or three have occurred in our city is one of the greatest testimonials in favor of the soundness of our financial and commercial systems.

The banking capital and deposits employed in the first internal-revenue district of California, as shown by the books of the collector, compare as follows with those of 1874:

Capital and deposits, December 31, 1875.....	\$60,578,266
Capital and deposits, December 31, 1874.....	54,937,337
	14,640,929

The capital and deposits of all the banks in the State aggregate about \$165,000,000. The capital for 1875 aggregates \$13,995,642 and the deposits average \$53,582,624.

Finally and in conclusion, quoting the closing remarks of the gentleman in reference to California, "Who, in view of these facts, will claim that metallic money has been a blessing to California?" I reply, who, in view of these facts, will *not* claim that metallic currency has been a blessing to California?

If there are any such I have only to say that, while you may not be convinced, there is not a score of men in the whole State who have lived under this system for a quarter of a century who will not bear testimony to its beneficial results.

The unexampled prosperity of the State; its past financial history, so full of wisdom for the guidance of those who would travel the opposite road to resumption; the grand future that awaits her and her foster-child, the proud State of Nevada, peopled, developed, and built up during the last sixteen years by the bone and sinew and the capital of California—who will not say that she is entitled to rank with the States of Minnesota and Wisconsin; or that, in contrast with Iowa, she "would present differences so immense and striking that they would stagger credulity?"

#### Centennial Celebration of American Independence.

### SPEECH OF HON. ANDREW R. BOONE, OF KENTUCKY,

#### IN THE HOUSE OF REPRESENTATIVES,

January 25, 1876,

On the bill (H. R. No. 514) making an appropriation for the centennial celebration of American Independence.

Mr. BOONE. Mr. Chairman, I have but a few words to say upon the subject under consideration. It has been very fully and thoroughly discussed, and however much inclined I might be to extend my remarks, the time allowed me will not admit of my doing so. I shall therefore content myself with a plain and brief statement of my views.

As a new member of this body, Mr. Chairman, I have quietly listened to the discussion of this bill, and have tried to form a candid and impartial judgment upon its merits and to consider fairly the arguments which have been urged by its friends, and I am free to say that, notwithstanding the discussion has been able and elaborate, I have failed to see a single reason urged in advocacy of this measure which could not with equal propriety be used in favor of any other private enterprise, except the single fact that the great exhibition which this money is intended to assist begins on the one hundredth birthday of this nation, as it is called in modern times.

Now, sir, that this "centennial" arrangement is a corporation, and a private corporation, it seems to me there is no room to doubt, because, sir, it has all the attributes of a corporation, and whether it be a private or a public corporation is quite immaterial, for the question still presents itself: Under what authority and by what rule of construction does the Government derive the authority to take stock in and become a member of any sort of corporation, public or private? And I confess that the distinction is a curious one, for a public corporation, it seems to me, would be "something new under the sun."

Then, sir, here is a private corporation, formed for private and local purposes, as the history of the concern most conclusively shows, asking Congress to make this Government a member of this corporation by subscribing and paying \$1,500,000 of money from the public Treasury, and to share alike with other stockholders in the profits of a grand display and magnificent exhibition which is to take place at Philadelphia on the 4th day of July next. And the only reason, as I before remarked, that is urged with any degree of plausibility why we should vote this large amount of money is that the Government has lived to see its one hundredth birthday, and therefore we must have a grand display and set a large feast and invite all the world to participate with us in our centennial jollification. We must have a sort of diamond wedding, at which we will receive presents and "give gifts unto men."

Mr. Chairman, I wish it distinctly understood that I have no objection to this "celebration." Indeed, sir, I wish it the most unbounded success. The proud old Commonwealth which I have the honor in part to represent here will be represented there by her gallant sons and fair daughters, and perhaps she will also be represented by her splendid herds and blooded horses, by specimens of her mineral wealth and the various productions of her fertile soil, but in her sovereign capacity as a State she will not be there. She could not go there, without humiliation, so long as the galling fetters of political proscription are fastened upon the arms of any of her noble sons, and too sadly does she remember that the noblest, the grandest specimen of her manhood went down to his grave an alien in the land that gave him birth. But I pass from this. I said I was in favor of this centennial celebration, and I am; but when it is proposed to invest in this enterprise \$1,500,000 of money which must be raised by imposing additional burdens upon a people already oppressed by taxation, and who are staggering beneath the weight of an enormous public debt, I must be permitted to enter my very humble but most solemn protest. In the name of the toiling and suffering people of this country I do most earnestly protest. In the name and by the majesty of the Constitution of my country, I protest.

I know that the Constitution furnishes no barrier to great and powerful corporations that want appropriations. I know that it has too frequently been the case that the Constitution has been made to bend to suit grasping and mercenary schemes. I know that when the greed for money and the Constitution have come in conflict the latter has been made to yield, and under the specious plea of necessity, military or otherwise, the most flagrant and open violations of what was once considered a very sacred instrument have been accomplished. But, sir, I had hoped that we had, in the providence of God, lived to see the day when at least the lower branch of the Congress of the United States would return to that view of the Constitution which was entertained by a long list of democratic statesmen, whose names have made the history of this country illustrious by the fidelity with which they adhered to that instrument, and whose reverence for it was second only to that which they entertained for the Bible itself. And in saying this, I do not pretend to question the fidelity of any gentleman on this floor to the Constitution, for I know that there are gentlemen here who will vote for this bill who are as good democrats as I am, and at whose feet I might sit and learn lessons of political wisdom; but really I cannot comprehend the argument which finds constitutional authority to vote this money to this project and denies it to any other scheme which may be invested with any sort of public or national importance. The fault maybe in me and not in their argument, but my opinion is it will be rather a difficult task to make the country understand the difference.

Again, Mr. Chairman, I desire modestly to remind the democratic majority in this House that we were elected and sent here upon the idea and with the promise that under democratic rule the profligate and reckless (not to say corrupt) use of the public money would cease, and that a democratic Congress would strive to return to the paths of economy and strict frugality which characterized the earlier periods of the country's history. And believing, as we do, that under republican administration the most unbridled extravagance has prevailed, and the most stupendous frauds have been perpetrated, we hailed the results of the elections of 1874 as the harbinger of a more economical and purer administration of the affairs of this Government, in so far

at least as Congress might be able to control it. And the people expected, and they had a right to expect, that all unnecessary and wasteful use of the public money would cease.

Now, sir, I desire to inquire of gentlemen on this side of the House how we will answer the people, when they demand of us to know how it was that a democratic House of Representatives, with its high pretensions to honesty and economy, felt itself authorized in the very opening of its session, when it was fresh from the people, to vote away this large amount of money, in aid of a purely local and private enterprise, when the whole country is groaning beneath a load of debt and taxation—individual, municipal, State, and Federal—too grievous to be borne. I fear we shall find it a troublesome question to answer. I concur most heartily in the noble sentiments uttered by the distinguished gentleman from North Carolina [Mr. ROBINSON] in favor of peace, concord, and brotherly love between all sections of this country. Such sentiments as he uttered upon that subject are the inspirations of a noble and lofty patriotism, and I would there were more of it in the land; but, sir, I cannot accept such impulses as the guide to my actions in dealing with questions like this, for however much of patriotic devotion we may feel for the flag of the country, and however much we may talk of good feeling and brotherly kindness, and however much our bosoms may swell with pride in contemplating the future grandeur and glory of our country, still we must not forget that an overtaxed and heavily oppressed people are behind all this, and in the face of poverty and distress our object should be retrenchment, reform, and the most rigid economy in public expenditures. What the people want is to be relieved from the intolerable burdens which are now upon them, and any legislation which does not look to this end is a mockery, and will not satisfy them, and will not be a fulfillment of our promises to them.

I have already, Mr. Chairman, perhaps transcended the limits of the courtesy allowed me by the House, and will soon close. So far as the constitutional phase of this question is concerned, I shall not undertake to discuss that now, because I have not the time which is necessary to devote to so grave a matter, and also because it has been in far abler hands than mine. I was peculiarly gratified when the able and distinguished gentleman from Virginia [Mr. TUCKER] touched upon that subject the other day; and it is no flattery to him to say he touched it with a master's hand. It seems to me he made it so clear that we had no power under the Constitution to vote this appropriation, that there can be no doubt upon the subject. His argument seems to me to be lucid and conclusive, and every attempt to answer it has only shown more strongly, if possible, the correctness of the views presented by him.

But it has been intimated, Mr. Chairman, that we ought to vote for this measure as an indication to our northern brethren particularly that the South and those who sympathized with her are true to the Government and loyal to its flag. I know of but one true test of loyalty in this country, and that is obedience to the Constitution and laws of the land, and so far as I am concerned I recognize no other test. Sir, believing as I do that we have no power under the Constitution to make this appropriation, and even if we had the power that the condition of the country would not justify us in doing so, I shall vote against it.

#### The Mississippi Election.

### SPEECH OF HON. OLIVER P. MORTON,

OF INDIANA,

IN THE SENATE OF THE UNITED STATES,

January 20, 1876.

The Senate having under consideration the resolution of Mr. MORTON for an investigation into the late election in Mississippi—

Mr. MORTON said:

Mr. PRESIDENT: The task which I have undertaken is not a pleasant one; but I am in the performance of what I regard as a high duty. No more important question can be presented to this body during this session than the one I am considering, whether the majority of the people of a State can be overwhelmed with impunity by violence and fraud, and whether a movement that looks to the overthrow of the political and civil rights of five millions of people and the defeat of at least two important amendments to the Constitution of the United States, can pass on without notice and without condemnation. I ask the Senate this morning, as a matter of duty to themselves as well as to the country, to listen to the evidence that I shall produce. I will say, in the beginning, to disarm criticism, that it will be almost all from democratic sources. I am aware that letters or statements brought here, and especially if I am not at liberty to give the names, will have their force weakened because of their anonymous character, but I propose now to show to the Senate and to the country from democratic sources the actual character of the late contest in Mississippi and the principles that are involved in it.

But, Mr. President, before coming to that, I want to notice the question of the finances of Mississippi, and put that matter in a true light if possible. It has been constantly asserted, until a large part of the



people of the North believe it, that the reconstructed government in Mississippi, first under Governor Alcorn, then under Governor Powers, and then under Governor Ames, has been extravagant beyond precedent, has been and is thoroughly corrupt and rotten; and these charges, so persistently made, have made an impression upon the North and have been made the excuse and justification for murder and intimidation in the State of Mississippi. I want, then, first to consider that question how much, if any, truth there is in that general statement that has been so persistently made.

#### THE STATE WHEN THE REPUBLICANS TOOK CONTROL.

First let me say a word in regard to the condition of the State of Mississippi in 1870 when the reconstructed government went into operation. Mississippi was then in an impoverished condition. She had been under a State government organized by President Johnson from 1865 until 1867, then under military government for three years, and the reconstructed government went into operation in March, 1870. The republican party found Mississippi in a destitute and prostrate condition. Many of the public buildings had been destroyed by fire; all of them were out of repair, many of the court-houses, jails, asylums, and most of the bridges over the rivers had been destroyed; the public highways were all in a dilapidated and insecure condition, and many of them almost impassable. Extraordinary expenses had to be incurred necessarily, for the purpose of lifting the State out of this prostrate condition. The work of reconstruction had to be undertaken with a majority of the citizens newly enfranchised, wholly unacquainted with the science of government. The judiciary was reconstructed under the new constitution, and I may say right here, and I believe I shall not be successfully contradicted, that that judiciary has perhaps been the best the State has ever had; that there has been but little said against it. I believe no well authenticated charge has been made against the supreme court, or against any one of the forty judges in that State. If such charges have been made, they have not been brought to my attention. Amidst the storm of obloquy and calumny that has swept over that State, the judiciary has comparatively escaped from it. So far as the State officers are concerned, the administration I believe has been comparatively pure. No well-grounded suspicion exists against the integrity of Governor Alcorn, the first governor, or against Governor Powers, the second governor, or against Governor Ames, the present governor. I know that general charges of corruption are made against Governor Ames, but I imagine that it will be impossible for any Senator upon this floor to bring evidence fixing any charge of corruption or fraud upon Governor Ames.

Mr. STEVENSON. Will the Senator from Indiana allow me to ask a question?

Mr. MORTON. I hope my friend will allow me to make my general statement. I will yield a little further on.

Mr. STEVENSON. I only wanted to ask the Senator a question.

Mr. MORTON. In regard to the subordinate State officers I understand that no charges of corruption have been made against any of them. The present lieutenant-governor, Davis, has been charged with taking a bribe of \$500 to pardon a criminal at a time when he was acting governor in the absence of Governor Ames. I believe it has not been officially or judicially established in any way, and whether he is guilty or not I cannot say. Mr. Cardozo, the superintendent of public instruction, was charged with having been guilty of corrupt practices before he became superintendent of public instruction; but I have not heard of anything having been preferred against him since that time, though there may have been.

The sheriffs of the counties in Mississippi are collectors of taxes *ex officio*. I have heard of but two cases of defalcation on the part of tax collectors in that State since reconstruction in 1870. I do not say there are not others, but I will say that upon inquiry I have heard of but two, and the aggregate sum of the defalcations amounts to \$15,000. One of these tax collectors was a republican and the other was a democrat.

There have been charges in regard to the public printing, that there were great extravagance and corruption in that. It has been said that the rates for printing fixed by the Legislature of 1870 were too high, and I am not prepared to dispute it. I believe they have been largely reduced since that time; but the public printer against whom these charges have been chiefly made was re-elected in 1872. The principal charges against him were for maladministration during 1870 and 1871. He was re-elected by the Legislature in 1872, and at that time received the entire democratic vote in the Legislature. He was indorsed by the vote of the democratic party after these charges had been made, and I believe some of them had been preferred by Governor Alcorn himself. That does not justify or vindicate his conduct. But what I mean to say is that, whether he was guilty of those charges or not, the democratic members of that body, with a full knowledge of what had been done, voted for his re-election, I believe unanimously.

#### THE FINANCIAL CONDITION OF THE STATE.

Now, Mr. President, I come to the question of the finances of Mississippi; and I ask the attention of the Senate to the present condition of the State government of Mississippi in a financial point of view. I read from the message of Governor Ames, and I presume it will not be successfully contradicted in any of the matters which he states. He says:

The condition of the State's finances is unprecedentedly favorable. The real debt of the State, that is, its outstanding obligations beyond its ability to pay at once with its current and available funds, (the taxes received for 1875,) amounts to \$300,000.

But very few States in the North are in as good a condition in that respect. There would have been a large public debt hanging over Mississippi, coming down from the years before the war, if before the war that State had not repudiated the debt. But I am now speaking of the present debt of Mississippi.

The common and Chickasaw funds—debts upon which the interest only is to be paid, the principal never becoming due, (obligations incurred many years since)—

Before the war—  
amount to . . . \$1,530,620.

This debt against the State, upon which the State pays interest, the State having received the money herself, is formed in this way: \$223,000 were received from the sale of Chickasaw school lands in 1847, lands granted by Congress in the northeastern part of Mississippi, sold for gold and put into the Treasury. These moneys were loaned by the State in 1858 to four railroad companies and lost. The rest of this \$1,500,000 consists of fines, forfeitures, and liquor licenses paid into the State treasury and set apart for the school fund.

The expenses of the State government during the past year amounted to \$618,259 18. The amount paid to the two universities of the State, to normal schools, and interest on Chickasaw school fund was . . . 136,896 37. The Mississippi State bonds paid amounted to . . . 250,000 00. Interest on bonds . . . 37,664 00. Extra improvements, (State buildings) . . . 56,017 44. Receipts over disbursements were for 1874 . . . 40,114 47. Receipts over disbursements were for 1875, (based on moderate estimate of taxes already received and due,) over . . . 400,000 00.

Since this message was delivered I have received a communication from Governor Ames, stating that subsequent returns made by the State treasurer show that the receipts over disbursements for 1875 will be \$496,000.

#### EXPENDITURES COMPARED.

Now, Mr. President, I come to the question of taxation. The republican government of Mississippi has been foully and so persistently slandered on that subject that I beg the indulgence of the Senate to go into a little detail upon that point; but before doing that I want to contrast the expenses of the present State government of Mississippi under Governor Ames with the expenses of the State government beginning with 1857. I have figures here which I am told have been carefully prepared from the journals.

The expenses of that State government were in—

1857	\$736,531 00
1858	614,650 00
1859	740,015 00
1860	662,536 00
1861	1,824,161 00
1862	6,819,894 00
1863	2,210,794 00
1864	5,546,732 00
1865	1,410,250 00
1866	\$1,850,800 00
1867	625,000 00
1868	525,678 00
1869	463,219 00

In these last two years there were no State Legislatures, and that accounts for the diminution at that time. I have not been able to get the figures for 1870, 1871, and 1872. For the first years of reconstruction of course they were necessarily larger than they are now from the causes I have stated—

1873	\$936,030 00
1874	908,330 00
1875	618,259 00

I think that will compare very favorably with State governments anywhere. Then bear in mind that, by the enfranchisement of the colored people and they becoming citizens, the expenses of the government have been necessarily enlarged. That is an item that ought to be taken into consideration; and, further, that the expenses of the State government before the war were paid in coin, and since that time they have been paid in paper which has been at a very considerable discount, sometimes as low as sixty-five cents on the dollar.

#### TAXATION.

Now, Mr. President, I come to the question of taxation in the State of Mississippi. In 1873 the State tax for general purposes was seven mills; interest and principal on bonded debt, one and a half mills; school-teachers' tax, four mills. The tax for school-teachers was first imposed this year by general law. This tax had previously been levied by the counties; but to obtain uniformity throughout the State it was thought best to make a general levy, and therefore it made the State tax that much larger. Now I will read to the Senate the law passed in 1872:

*Be it enacted*, That the power of the boards of supervisors in the several counties of this State, to levy taxes for all purposes of whatever kind, is hereby so limited and restricted as to prohibit the said boards from levying a tax any one year which with the State tax added, shall exceed \$25 on the \$1,000 of assessed valuation.

Now, I come down to 1874. The State tax then was six and three-fourths mills; interest and principal on the bonded debt, three and one-fourth mills; teachers' fund tax, four mills. Allow me to remark right here—and it is particularly worthy of attention—that there had never been a common-school system in Mississippi before the war; and of course there was none during the war; and the very first Legislature after the reconstructed government established a common-school system. There were four hundred thousand school-children in Mississippi of both

racers, and the most of them, even the whites, were without the means of education; and the State was taxed to establish and maintain a common-school system, and if there should be any complaint about the increase of taxation or increase of expenditures, bear in mind that it comprehends a school system, a thing before unknown in the State of Mississippi. In 1875 the tax law was amended, as follows:

*Be it enacted, &c.* That the boards of supervisors of the several counties of this State are hereby prohibited from levying taxes which, with the State and school taxes, will exceed \$20 on the \$1,000 of valuation.

In addition to the above levy for public purposes a like tax was laid on business, by the general tax bill of this year, and a slight one on merchants and some other branches of business perhaps. A poll-tax of one dollar is levied, that goes exclusively to the school fund. The average delinquent list on all taxes is about 20 per cent. The proceeds of all fines, liquor licenses, sales of public lands, &c., go to the common-school fund, and cannot be used for general purposes. Therefore the tax during the last year for all purposes cannot exceed 20 mills, or 2 per cent. I now invite the attention of my democratic friends to a comparison between the rate of taxation in Mississippi and other States. This is compiled from the census returns of 1870. Of course I cannot speak for the last year or two, but I understand that the rate of taxation in Mississippi in 1875 was no higher than in 1870.

New York:	
Assessed value of property .....	\$1,967,001,185
Total taxes .....	48,550,308
Rate of taxation, 2.47/100 per cent. on the dollar.	
Ohio:	
Assessed value of property .....	1,167,731,697
Total taxes .....	23,526,548
Rate of taxation, 2.01 per cent. on the dollar.	
Illinois:	
Assessed value of property .....	482,899,575
Total taxes .....	21,825,008
Rate of taxation, 4.5 per cent. on the dollar.	
Indiana:	
Assessed value of property .....	663,455,044
Total taxes .....	10,791,121
Rate of taxation, 1.67/100 per cent. on the dollar.	
Massachusetts:	
Assessed value of property .....	1,509,983,112
Total taxes .....	24,923,990
Rate of taxation, 1.57/100 per cent. on the dollar.	
Missouri:	
Assessed value of property .....	556,129,969
Total taxes .....	13,908,498
Rate of taxation, 2.5 per cent. on the dollar.	
Michigan:	
Assessed value of property .....	272,242,917
Total taxes .....	5,412,957
Rate of taxation, 1.9 per cent. on the dollar.	
Pennsylvania:	
Assessed value of property .....	\$1,313,236,042
Total taxes .....	24,531,397
Rate of taxation, 1.87/100 per cent. on the dollar.	
The average rate of the above States is 2.17/100 per cent. on the dollar.	

#### TAXATION COMPARED WITH OTHER STATES.

I submit, in this connection, further evidence showing the rate of taxation in several States of the North. Mr. Smith, of Ohio, (CONGRESSIONAL RECORD, page 1005, Forty-third Congress, second session,) says:

In the table before me there is a statement of valuations of forty-five cities and towns, all the cities and a number of the large towns in Ohio. The total valuation of the property in those cities is, in round numbers, \$448,000,000. The average rate of taxation is 25.433 mills per \$100, a little over 2 1/2 per cent. on all the town property in the State of Ohio. This includes all the taxes except special assessments for improvements, &c.

The auditor of the State of Indiana says—

That a large portion of the taxes in the towns of that State are not returned to the State auditor; but, notwithstanding he has not those taxes in many instances, the average is there over 2 per cent.

And I am told by gentlemen here, who live in New England, that the rate of taxation there is at least 2 1/2 or 3 per cent. in that part of the country.

Mr. Cotton, following Mr. Smith in the discussion on taxation in the District of Columbia, said:

I do not think that the city tax should be higher than 2 per cent., although that is not a very high tax. \* \* \* We pay much more than that all through the West, in some cases 4 and 5 per cent. on the value of the property.

Thus it will be seen that this charge about extravagant taxation in Mississippi under the circumstances is without foundation. There is another species of taxation, however, that I must call attention to so as to avoid confusion, and that is called the levee tax. The counties along the line of the Mississippi River that are liable to overflow are divided into two divisions. Each county sends a representative to what is called a levee board. These levee boards assess taxes for levee purposes. They are paid more cheerfully than any other taxes in the State. They are assessed by the planters themselves owning the land, and of these I believe there is little or no complaint made. I understand that they are paid cheerfully, and the complaint has been often that they were not high enough to protect the lands, because unless the levees were kept up the plantations would be entirely destroyed.

Now I desire to call the attention of the Senate to this rate of taxation as compared with the taxation of Mississippi established by the democratic Legislature of 1865 and that which existed in Mississippi

before the war under democratic administration. The law in Mississippi until 1870 in regard to the assessment of real estate is found in the code of 1857, and I will read it and would like to have the opinion of my friends upon it:

Lands shall be assessed every four years according to the intrinsic value, to be judged of by the owner or person having possession or charge thereof. (Code 1857, page 75.)

The owners of plantations were made to assess themselves, and it is not recorded that they ever made the assessment too high, but there is much evidence that it was too low, and that the burdens of taxation were thrown upon the few feeble industries of that State.

#### INQUITOUS DEMOCRATIC REVENUE LAW.

In 1865 there was a new tax law passed, to which I wish to call the attention of the Senate, under the government established by President Johnson, when there was no republican in the Legislature, and when the colored men were still little better than slaves. The first provision was that real estate should be assessed at the rate of one mill on the dollar. Bear in mind that Mississippi is an agricultural State, that there are few manufactories, and very few moneyed corporations. The railroads there were exempted by law from taxation for twenty years by the Legislature chartering them. There were very few insurance companies, and scarcely any banks; so that there was but little property in the State except real property and a comparatively small amount of colored people's property; and yet in levying the taxation for that year (and that continued to be the law till 1870) there was but one mill assessed on real estate. The landowners threw the burdens upon the mechanics and working-people of the State; and, as I shall show you, a more oppressive system was never devised; and I defy any member of this body to show anything in the history of what are called the carpet-bag governments that bears any comparison to the oppression, I may say the wickedness, of the tax law of 1865. Of course one mill upon real estate would not raise money enough to meet the expenses of the government; and to supply that deficiency they put a tax of \$25 on a barber's shop. The poor barber might not have five dollars' worth of property in his shop, yet he paid \$25; while a man whose real estate was assessed at \$25,000 in value would only pay \$25.

#### THE POOR OPPRESSED.

I want to show you what ideas of justice and equity prevailed at that time, and how the labor of the State was oppressed. The blacksmiths, bakers, butchers, brick-masons, brewers, carriage-makers, carpenters, dealers in lumber and shingles, printers, gunsmiths, tailors, tanners, watch-makers, painters, milliners, and owners of flouring mills were taxed twenty-five cents on each and every \$100 of the gross receipts of their several trades or callings.

On sales of merchandise sold by any regular merchant or dealer in goods, wares, and merchandise, furniture, books, carriages, or any other species of merchandise, except ale, beer, spirituous and vinous liquors, 3 of 1 per cent.

On all lively stables, upon the gross receipts of their regular business, 2 per cent.

On all confectioners' shops, barbers' or hair-dressing shops or establishments, the sum of \$25.

On all pleasure carriages, clocks, watches, gold or silver coin, gold or silver plate (above the value of \$50 of gold and silver plate,) pianos and watches, 1/4 of 1 per cent.

On the gross receipts of all ferries, bridges, turnpikes, or other places where a fee is collected from the passer, 1/4 of 1 per cent.

On the actual value of all solvent credits, 1/4 of 1 per cent.

On each and every hack, cab, carriage, or omnibus, used for transporting passengers for pay or compensation, if drawn by one horse, \$5; if drawn by two horses, \$10; and if drawn by four horses, \$20.

On each and every dray, or wagon, used for transporting freight for pay or compensation, if drawn by one horse, \$5; if drawn by two or more horses, \$10.

This was the State tax on a few of the many subjects of taxation, and then the counties came in, and sometimes triplicated these taxes, so that I have heard of cases down there where a man's license on his dray would be \$20, and the county tax assessed on a barber-shop added to the State tax would make it \$100.

It will thus be seen that this system of taxes was devised for the purpose of relieving those who owned the land, and throwing the burden upon the labor of the State. I might refer to many other things to show the iniquity of this system of taxation under democratic administration in Mississippi; but there has been so much said about the oppression of the republican party as if it was a new thing in Mississippi; but it has been so grossly and shamefully exaggerated for political purposes that I wish now to refer very briefly to the history of Mississippi under democratic rule. I do so to meet a charge that I heard made on the floor of the Senate four years ago, and I have a very distinct recollection of it. A Senator was inveighing with great bitterness and power against the oppression of the republican party of Mississippi, and said he, "I state it upon my honor that the taxes upon real estate in Mississippi have been increased tenfold." I thought it was a very grave charge and a very gross outrage if it was true; but I did not know then that the tax before had been only one mill on real estate and had afterward been put up to 1 per cent.

#### STARTLING DEMOCRATIC DEFACTATIONS.

Now I come to the question of democratic taxation before the war, and I shall quote entirely from official sources. The senate journal



of Mississippi for 1840 shows a list of defaulters for one year in that State, amounting to thirty-eight county sheriffs. They numbered twenty-eight defaulters in that many counties, amounting to \$26,980. The senate journal for the next year shows thirty-six defalcations in that many counties on the part of tax collectors, amounting to \$90,617; and I shall show by a quotation from the message of one of the governors that these men were never brought to justice, but that defalcations, recklessness, and robbery were so common that there was scarce any attempt made to hold men to official responsibility. The following tables are taken from the official journals of the Mississippi Legislature:

[Senate journal, 1840, pages 90, 91. Defalcations of 1838.]

Choctaw	\$134 58
Madison	947 21
Winston	71 67
Lauderdale	24 95
Itawamba	12 67
Copiah	50 00
Oktibbeha	78 44
Hancock	150 00
Jefferson	5,960 19
Carroll	2,990 21
Coahoma	251 25
Leake	409 67
Smith	285 62
Covington	169 00
Yalabusha	265 96
Warren	3,853 43
Lafayette	1,053 88
Pontotoc	62 70
Amite	30 00
Panola	60 00
Washington	1,992 38
Tishomingo	221 89
Clarke	406 26
Holmes	4,222 66
Monroe	2,155 38
Tallahatchie	1,048 25
Total	26,980 27

In senate journal, 1840, pages 86 and 87, exhibit A, is a list of public defaulters referred to by name and county and the amount due by each, 1839. Number, 33. Total amount, \$90,617.46.

Noxubee	\$1,225 50
Lowndes	356 88
Greene	22 29
Adams	7,708 09
Winston	65 13
Carroll	1,331 30
Hancock	210 21
Scott	42 00
Greene	718 84
Wilkinson	1,047 53
Adams	1,304 43
Jefferson	4,113 32
Hinds	2,637 24
Marshall	425 00
Chickasaw	75 02
Kemper	650 72
Choctaw	255 51
Marshall	153 35
Jefferson	1,480 30
Pontotoc	835 38
Warren	2,621 08
Yazoo	72 73
Wilkinson	58 40
Covington	873 51
Jones	317 58
Lauderdale	256 66
Lowndes	285 06
Adams	35,431 77
Leake	101 00
Hinds	15,836 78
Monroe	1,271 32
Madison	5,955 44
Holmes	3,896 13
Total	90,617 46

I read from the message of Governor McNutt, of Mississippi:

Thirteen tax-collectors are in default for the year 1838 in the sum of \$93,533.38, and twenty-one in the sum of \$32,530.25 for the taxes of 1839. Large balances are still due for taxes which have accrued previous to the year 1838. Some of the assessors have failed to return their assessment-rolls. The auditor estimates the taxes of 1840 at \$102,876.94. It will be perceived that the expenses of the government cannot be sustained hereafter without a change in our whole system of assessing and collecting the revenues. Not more than one-half of the taxable property in the State is ever assessed, and large portions of the taxes collected are never paid into the State treasury.

#### THE STATE TREASURY ROBBED.

That is the testimony of Governor McNutt. In 1843, Mr. Graves, State treasurer, was a defaulter to the amount of \$165,547.07 and absconded. In 1858, the then governor says of the auditor, John Mallory:

It appears that he is a defaulter to the amount of \$34,097.96, all except \$230.58 on account of town lots and the 3 per cent. seminary and sinking funds.

In 1866, under President Johnson's government, the defalcation of A. D. Haynes, State treasurer, was \$61,962.38. According to the report—

The amount of defalcations and insolvencies disclosed annually in the auditor's report can but satisfy you that there is great remissness on the part of some of the collectors.

In view of this character of its government before the war is it

probable that the democracy of Mississippi have been aroused to uncontrollable anger by the allegations of corruption and mismanagement on the part of the republicans of Mississippi for the last six years? And, Mr. President, I have only made a little beginning in it.

I am authorized to state here by a gentleman who is very familiar with the condition of Mississippi that this defalcation of Haynes in 1866 of \$61,000 is greater than all the defalcations which have taken place in Mississippi since that time.

#### MISSISSIPPI'S SHAME.

This is only a very small part of the history of corruption in Mississippi before the war. In 1829 the Legislature of Mississippi chartered the Planters' Bank, in which the State subscribed \$2,000,000 of stock under the charter. The State issued her bonds to procure the money to pay for that stock, and the bonds were sold in the London market at 113. A part of them passed afterward into the hands of George Peabody. A sinking fund was provided to pay these bonds. It was provided that the dividends on the stock should go into the State treasury, and remain there as a sinking fund to pay the bonds when they should fall due, and that sinking fund had grown until it contained \$560,000. In 1838 the State chartered what was called the Union Bank of Mississippi, with a capital of \$15,000,000. The State provided for issuing to the bank her own bonds, made payable to the bank, for \$15,000,000. In other words, the State guaranteed the stock, but only \$5,000,000 of bonds were issued. These bonds were sold to Nicholas Biddle, the president of the Bank of the United States, at par, and the State subscribed her stock, or took stock to that amount in the Union Bank of Mississippi. Two years after that the bank failed, and the Planters' Bank failed, and then the State repudiated the bonds of the Planters' Bank and the Union Bank, and there began the darkest spot in the financial history of any State in this Union. These bonds were boldly and shamefully repudiated upon the smallest possible legal quibble or pretext, and I desire to read to the Senate the reasons given by Governor McNutt for this repudiation. It seems that the \$5,000,000 of bonds that had been purchased by the Bank of the United States had been hypothecated with the Rothschilds, in England, for borrowed money. Governor McNutt, in giving the reasons why these bonds should be repudiated in the hands of the Rothschilds, says this:

The bank, (i. e. the Bank of the United States,) I have been informed, have hypothecated these bonds and borrowed money upon them of the Baron Rothschild; the blood of Judas and Shylock flows in his veins, and he unites the qualities of both his countrymen. He has mortgages on the silver-mines of Mexico and the quicksilver mines of Spain; he has advanced money to the Sublime Porte, and taken as security a mortgage upon the holy city of Jerusalem and the sepulcher of our Savior. It is for the people to say whether he shall have a mortgage upon our cotton-fields and make serfs of our children. Let the baron exact his pound of flesh of Mr. Jordan and the Bank of the United States, and let the latter "institution of our country" exact the same of the Mississippi Union Bank. The honor, justice, and dignity of the people of this State will not suffer them to interfere in the bankers' war.

#### A BITTER SARCASM.

The bonds were repudiated. I now want to call the attention of the Senate to a sarcasm, and a very bitter one, by Mr. Peabody. Mr. Peabody held a part of the bonds issued to the Planter's Bank, and just before his death, as you are aware, he made a magnificent donation to the Southern States and a gift of \$1,000,000 to the State of Mississippi. In a letter addressed by Mr. George Peabody to the trustees of the Peabody fund for education in the Southern States, dated February 7, 1867, in which he designated the amount and character of funds set apart for that purpose, he says:

In addition to this gift (\$1,000,000,) I place in your hands bonds of the State of Mississippi, issued to the Planters' Bank, and commonly known as the Planters' Bank bonds, amounting with interest to about eleven hundred thousand dollars, the amount realized by you from which is to be added to the fund and used for the purpose of this trust.

#### A BLACK RECORD.

But, Mr. President, this is not the worst part of the repudiation of the bonds of the State of Mississippi. The Union Bank was incorporated in 1838. The money was loaned to members of the Legislature and the leaders of the party who incorporated the bank. They borrowed it without security, or with imperfect security, and I read the statement in regard to the winding up of that bank and of the Planters' Bank, which has been made out for me and I have no doubt is correct, and I ask the Senator from Mississippi [Mr. ALCOCK] to tell me whether the history is correctly given or not.

The State sold bonds at par to the amount of \$5,000,000, which was subscribed as stock to the bank. The bank was organized and its directors appointed. Among their first acts was an order authorizing the cashier to discount the individual notes of the directors for \$50,000 each, and this they obtained. The bank went forward in a most reckless style, but secured nevertheless on its loans a large amount of money circulated among the people by taking mortgages and other securities.

In 1842, while the banks were going on in the effort to recover the moneys that they had loaned, an act of the Legislature was passed—I call attention to this because I do not think any carpet-bag government with their best efforts could equal this—the Legislature passed an act authorizing a writ of *quo warranto* to be sued out against the banks in order that their charters might be forfeited. The Legislature provided a sharp and speedy remedy for the forfeiture of their charters. The charters were forfeited and all efforts on the part of the creditors of the bank to induce the Legislature to provide a remedy for the recovery

ery of debts due to the banks were fruitless and the whole amount was lost. The debts due the banks were thus wiped out and all suits were abated. The corporations could neither sue nor be sued as they were *fancius officio*.

The men who had borrowed the money had controlled the Legislature, provided for forfeiting the charter, and destroyed the banks, so that they could not be sued for the money loaned; and thus they kept the money. Now, take it altogether, has there ever been anything like this in the history of any other State? I invoke my friends to search the history of carpet-bag governments in Mississippi or elsewhere, and see if anything approaching this in enormity can be found. The idea of destroying the charter of a bank by the very men who borrowed the money so that they could not be sued and then the State repudiating the bonds that had been sold in good faith and for which it had received the gold, I think never occurred to anybody outside the State of Mississippi. Now I want to give a specimen—it is only one of many—of another steal down there, and, by the way, I will ask the Senator from Mississippi if the facts I have presented are correct.

Mr. ALCORN. My recollection is that it is substantially correct.

Mr. MORTON. In 1841, the Legislature, being in possession of a large sum arising from the 2 and 3 per cent. funds derived from the sale of public lands received from the United States, passed an act making an appropriation from the 3 per cent. fund for the purpose of improving the navigation of various streams within the State. Sixty-five thousand dollars were appropriated for the improvement of the Chickasaw River; I believe I never heard of that stream before. John J. McRae, afterward governor of the State, took a contract and executed a bond for its performance and drew the money in advance. He did no work whatever, but drew the money. After several years had elapsed, suit was brought on the bonds, and after many delays, and when it was supposed the case was ready to be tried, the bond was missing from the office of the secretary of state, in which it had been filed. It was, therefore, necessary to file an amended declaration to aver upon the lost bond. The usual delays were resorted to, in order to prevent the making of the issue. Finally the issue was made up, but before the case was tried McRae was elected governor. Under the statute all suits were required to be brought in the name of the governor, and the attorneys of the governor filed a plea in abatement, alleging that he was governor of the State, and that an action could not be maintained, and therefore the suit was abated, because it had to be brought in his name. I take it that is a model in its way, and that nothing half so ingenious and smart has been done under carpet-bag government.

#### SACRED TRUST FUNDS STOLEN AND SQUANDERED.

But, sir, it does not stop here; I now come to the question of the school fund of Mississippi, and I shall read from the report of the State board of education on that subject. I will remark that the Government of the United States has dealt with Mississippi in the way of grants of land with more liberality than with any State of this Union. The total grant of land to Mississippi has been 6,000,000 acres, equal to one-sixth of the whole area of the State. It is estimated that, had these lands been husbanded and taken care of instead of squandered, their value would have been over \$25,000,000. About 850,000 acres were originally granted for school purposes—a quantity equal to over one-thirty-sixth of the whole area of the State—that is, the sixteenth section in every sectional township.

Nearly all of this magnificent endowment has been disposed of and the proceeds squandered. From investigations already made, we are satisfied that thousands of acres of these lands, some of them the most valuable in the State, are held and occupied without the shadow of title. It is our purpose to thoroughly investigate this matter, and recover all lands thus illegally held.

We have no means of arriving at a correct estimate of the value of the unsold school lands, but it cannot be doubted that a very moderate degree of honesty, economy, and skill in the administration of the lands donated by the General Government to the State for school purposes, would have produced enough of revenue to have furnished perpetual and efficient free schools for all the people of both races in this State to the full extent of their needs forever!

The following table exhibits the amount of the proceeds arising from the sales and rental of school lands:

Amount arising from the sale of Chickasaw lands.....	\$26, 432 78
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That was paid into the State treasury in 1857, and the whole amount loaned to four railroad companies in direct violation of the terms of the grant, and the whole amount lost.

Amount arising from the sale of Chickasaw lands.....	\$26, 432 78
Amount held by the State in trust .....	815, 247 73
Amount of the proceeds arising from the sale and rental of sixteenth-section lands, about.....	1, 500, 000 00
Aggregate amount of the proceeds arising from the sale and rental of school lands, about.....	2, 336, 432 00

Of the proceeds of sale and rental of sixteenth-section lands it is estimated that at least \$1,000,000 is a total loss on account of the want of proper management, and the remainder consists of outstanding claims, in notes, for loans and leases made by township trustees and the former board of police.

#### UNPARALLELED CORRUPTION AND MALADMINISTRATION.

The school fund has been squandered; the money for the education of the children has been stolen. It is a part of the financial history of the State of Mississippi before the war. Now, the "white-liners" of Mississippi, educated in this way, pretend that they are outraged by the frauds and corruptions of the republican party in Mississippi, that they are justified in resorting to violence for the purpose of getting clear of that government! I am reminded of a general exhibit

of the financial affairs of Mississippi given in the message of Governor Tucker, and I would not do my duty if I did not present it. I will ask the Clerk to read this, as I am somewhat fatigued. This was the message delivered in 1843 by Governor Tucker.

The Chief Clerk read, as follows:

On the 1st day of January, 1838, as appears by the reports of the State treasurer up to that date, there was a surplus or balance of cash in the treasury amounting to \$279,613.31, not including, as I understand, either the effects of the sinking fund, the seminary land fund, or the Jackson City lot notes. Besides this balance, and the sinking fund in the Planters' Bank, the seminary land notes, and the Jackson City lot notes, the State held stock in the Planters' Bank to at least \$2,000,000, which stock had, prior to that time, yielded to the State a dividend of 10 per cent., or \$200,000 per annum. When I came into office the scene was lamentably changed, notwithstanding the population of the State had been burdened with the payment of a heavy tax for each year prior to that period. What was the condition of the State treasury when I came into office? On the 10th of January, 1842, the report of the State treasurer, as made to the Legislature, shows a balance in the treasury, on the 30th of November of \$263,255.93, consisting of the attorney-general's receipts for claims on the Brandon and other broken banks, for the sum of \$23,102; the notes of the insolvent Mississippi Railroad Company, \$63,030; the notes of the Mississippi Union Bank, \$1,800; the notes of the Hernando Railroad Company, \$20; Jackson corporation tickets, \$3 62, and specie the sum of 34 cents! These sums are not in my estimation intrinsically worth 5 per cent. on their amount.

I found, at the same time, an immense liability pressing on the treasury in the shape of outstanding and funded auditor's warrants, ranging in amount from one-half to three-fourths of a million dollars, and that instead of the State being the owner of \$2,000,000 of stock in the Planters' Bank, yielding a dividend annually of \$200,000, that this stock had been referred to the Mississippi Railroad Company, then insolvent. I found, also, the first installment of the bonds issued on account of the Planters' Bank, \$125,000, due and unpaid, as well as the interest for several years on said bonds. The interest, when added to the first installment, amounted to but little short of \$500,000; making a difference to the State, in this transaction, including the \$2,000,000 of State stock transferred and thereby lost, of \$2,500,000. Besides these enormous liabilities, I found a claim set up against the State of \$3,000,000, in the shape of bonds, created under and by virtue of the act supplementary to the charter of the Mississippi Union Bank, together with the interest which had accumulated thereon, a sum not short of \$250,000. This statement, which will be found by practical tests to be more than fanciful, shows a vast difference in the financial condition of the State in the period of four years preceding my administration. On the 1st day of January, 1838, there was in the treasury the sum of \$279,613.31 in cash. On the 10th day of January, 1842, when I came into office, the real and pretended claims against the State exceeded the sum of \$8,000,000. This presents a scene of reckless extravagance and prodigality unequalled in the administration of any free government which has ever existed. The State has to exhibit as the proceeds or avails of those enormous liabilities: First, the sinking fund in the Planters' Bank, supposed to amount to between \$500,000 and \$1,000,000, but uncertain as to nominal amount, and still more so as to the real and available value thereof; second, \$2,000,000 in stock in the Mississippi Railroad Company. This company has expended both in the payment of its liabilities and in the performance of the public works contemplated by its charter. The stock is of but little if any value. The railroad being completed only for a short distance, yields but small profit, if any, beyond the current expenses of the company.

#### HOW THE LATE CAMPAIGN WAS INAUGURATED.

Mr. MORTON. Mr. President, I have said as much in regard to that State government before the war as I care to do. I have very much more material of the same character, but it is hardly worth while to take up the time of the Senate in reading it. I now come to the question of the last campaign, the question of violence, intimidation, and fraud; and I ask the attention of the Senate, and I ask the attention especially of democratic Senators, who, I have no doubt, from sources of information more open to them or perhaps that they more frequently consult than we do, entertain sincerely different opinions. I want them to understand what was the true character of that campaign, and I want them to understand how it started out—the policy of violence and of fraud in which it began and in which it was consummated; and I first ask my friend from Kansas [Mr. INGALLS] to read an extract from the Raymond (Hinds County) Gazette, a leading democratic paper, in the month of August at the beginning of the campaign, indicating a policy that was afterward pursued, as I am advised, in nearly every county of the State of Mississippi.

Mr. INGALLS read as follows:

There are those who think that the leaders of the radical party have carried this system of fraud and falsehood just far enough in Hinds County, and that the time has come when it should be stopped—peaceably if possible, forcibly if necessary. And to this end it is proposed that, whenever a radical vow is to be held, the nearest anti-radical club appoint a committee of ten discreet, intelligent, and reputable citizens—fully identified with the interests of the neighborhood and well known as men of veracity—to attend as representatives of the tax-payers of the neighborhood and the county, and true friends of the negroes assembled, and that, whenever the radical speakers proceed to mislead the negroes and open with falsehoods and deceptions and misrepresentations, the committee stop them right then and there, and compel them to tell the truth or quit the stand.

#### THE WHITE-LINE POLICY.

Mr. MORTON. I shall read from many other democratic newspapers during and early in the campaign, to show the spirit and policy in which it was conducted. I read from the Shubuta Times:

Call it what you please. Some call it the color line. It looks to us like the white line. Let it be drawn close and deep. It shall be seen who, in this emergency, can choose to stand with the negroes as against the whites. Mark them.

Again I read from the Handsborough Democrat:

We are in favor of the color line as a principle, a necessity, and a policy. As a principle it means that property, intelligence, and integrity enjoy, of right, a superiority over poverty, ignorance, and duplicity; for which reason, as an abstract principle, it has our hearty indorsement.

I now read from the Meridian Mercury:

Rally on the color line, boys, beyond the platform, every man to his color and colors, and make these negro pretenders to govern this great county come down, close put 'em down. What do the young men say to the old man's battle-cry in this political campaign: "Step across the platform, boys, and go for 'em."

Next from the Forest Register:

The body of the democratic party will carry their colors of the white line over



the State. Some of the auxiliaries in a scout or bushwhacking manuever may use a mild conservative face over the flag, but still it will rest on a white journal. To the radicals we say just superintend your structure, we will raise our own flag and colors.

Here is another:

The Forest Register keeps the following standing at the head of its editorial column:

A white man, in a white man's place. A black man, in a black man's place. Each according to the "eternal fitness of things."

I read now from the Vicksburgh Monitor, (democratic,) being a report of the democratic State convention August, 1875.

As the convention was strictly white line, and as no negroes were nominated, and as the hankering after the negroes was pretty thoroughly squelched, how would it do to raise a little purse to buy a few bags of salt for the use of those who still want to try and catch black birds?

From the Columbus Index:

Already do we see signs in our State of the good effects of the color line. Prior to its organization there was no harmony or unity of action among the whites. The negroes had perfected their race in organizations and were able to control the politics of the State. The whites, after having attempted every scheme to secure an intelligent government and a co-operation of the negroes in this behalf, wisely gave it up and determined to organize themselves as a race and meet the issue that had presented itself for ten years.

Now we recognize the fact that the State is most thoroughly aroused, more harmonious in its actions, and more determined to succeed in the coming election than it has been since the days of secession.

So the grand result of the color line has been accomplished in organizing the white people of the State and placing them in a position to control the coming election. No other policy could have effected the result.

From the Meridian Mercury:

Our correspondent at Running Water Mills makes his points well. His positions cannot successfully be contradicted. The miserable bunglers who have put the negro in the Constitution have certainly written themselves down asses all. When we accept "results of the war," we do not accept the notion of statesmen, but the blunders of unreasoning malice and stupidity, and of course we continue to accept it only so long as we are compelled to.

I read now from the Aberdeen True Republican, being a report of a speech by Colonel C. E. Hooker, member of Congress from Mississippi, at Aberdeen, during the late canvass:

Colonel Hooker, of Jackson, then addressed the convention in a speech of over an hour, in which he advocated the color line, and said in conclusion, "White men must and shall rule Mississippi!"

The Vicksburgh Herald (democratic) reports a speech of L. Q. C. LAMAR, at Aberdeen, Mississippi, thus:

In his speech at Aberdeen, last Saturday, Colonel LAMAR made an eloquent speech. A better democratic speech we do not care to listen to, and in manly and ringing tones he declared that the contest involved "the supremacy of the unconquered and unconquerable Saxon race." We were glad to hear this bold and manly avowal, and it was greeted with deafening plaudits.

We have never seen men more terribly in earnest, and the democratic white-line speech made to them by Colonel LAMAR aroused them to white heat.

From the Canton Mail:

It is useless to talk of the races living together as free American citizens; it cannot be done; and justice to forty millions of whites demands that four millions of blacks should be segregated from them. To permit them to remain together will be to continue to all time an unsettled state of society, with dread and distrust, and forever drive peace and prosperity from us. This is high ground, yet we believe it will come to this and that right soon. The flow of immigration that will set in with our harvest season will bring us an element that will supersede the negro as a laborer, will add strength and force to our intelligent voting population that will in time enable us to demand what the necessities of both races require.

All these extracts are from papers during the last campaign. I now read from the Westville (Mississippi) News:

"VOTE THE NEGRO DOWN OR KNOCK HIM DOWN."

Does not the very thought boil the blood in every vein? Will you still contend that we must not have a white-man's party? Away with such false doctrines; we must and will have a white-man's party. We have tried policy long enough. We must organize on the color line, disregarding minor considerations. The white-man's party is the only salvation for the State. Show the negro his place and make him keep it. If we cannot vote him down, we can knock him down, and the result will be the same. Either the white man or negro will rule this country; they cannot both do it, and it is for the white men to say who the ruler shall be. Let us have a white-man's party to rule a white-man's country, and do it like white men.

From the Okolona Southern States:

The African race can no more be absorbed and transmogrified into dignified, intelligent statesmen and responsible self-governing citizens than the American Indians could be bought and trained to lay aside the tomahawk and live with us in peace, under an administration which promises equal rights, civil and political, to all men. Consequently we may expect these outbreaks.

That was in reference to a murder which had been committed. I read next from the Columbus Index:

The necessities of the State of Mississippi recall this injunction and give emphasis to the parallel—but none but democrats in office.

We have gained a great victory—Bull Run or Chickamauga. Let us follow it up to the securing of results.

The white people must be welded into one compact organization. All differences of opinion, all personal aspirations, must be settled within our own organization, and from its decision there must be no appeal. Otherwise each recurring election produces its disorders.

AN OATH-BOUND WHITE-LINE LEAGUE.

From the Columbus Index:

A color-line club has been organized in Columbus, of which we are proud to announce ourselves a member. It is secret in its nature, but its principles are such that even the conservative editor of the Independent could conscientiously subscribe to them. The club has a large number of members, which is rapidly increasing.

Now from the Vicksburgh Herald, August, 1875:

The color line was by common consent ignored—

I refer to this for the purpose of calling attention to the attempt

that was made in the Mississippi convention by passing a color-line resolution to disguise the real purpose and object of the party—

The color line was by common consent ignored. It was only mentioned incidentally, and it was not "killed off" either by the speech of Colonel Lamar or by a vote of the convention. The representatives of the people expressed no opinion on the subject. The convention left each county to manage its own affair in its own way.

I now read from the Columbus Index:

We stand on the color line, because it is tacitly indorsed by the platform, and because we believe it to be the only means of redeeming this and other counties from negro rule.

From the Vicksburgh Monitor:

Is he white and true to his own color?

From the Yazoo Banner:

We have thrown the Banner to the breeze as the color-line organ of all good color-line citizens.

From the Winona Advance:

The motto of the Advance, "Mississippians should rule Mississippi," should be changed to read "shall and will" rule, &c.

From the Newton Democrat:

Mr. Potter, and Ex-Governor Brown, of Hinds, think the negro can be reasoned into democracy, and they have been thinking so ever since the war; but for our part we would as soon reason with a shoal of crocodiles or a drove of Kentucky naps. And so might they, for all the convictions they have produced in the counties of Hinds and Copiah.

THE ALABAMA POLICY TRANSFERRED TO MISSISSIPPI.

From the Meridian Mercury, report of a speech made by Colonel Taylor, of Alabama, telling how that State was carried in 1874, and urging the same line of policy in Mississippi:

At first they tried the policy of conciliation. He said he did not believe they carried one single negro vote by it. Little by little they came to try the color line in municipal elections and then county elections here and there, and finding it to succeed, they at last made the State canvass upon it and redeemed the State.

That is referring to the Alabama election of 1874. I have already spoken of that as being a carnival of blood and fraud.

From the Vicksburgh Monitor:

For these reasons we say that the negro as a voter and a citizen is a failure, and the republican is the party convicted in the eyes of the world of a fearful crime, not only against the southern people but against the civilization and progress of mankind—such a crime as was never committed by a political party before in the cycle of the centuries.

Now, from the Columbus Democrat:

And the white men of Mississippi will do it in spite of eloquent diatribes and sham platforms which represent nothing but a clique's notions of expediency. In the contest on which they have entered they mean something more than the election of certain men to office or the elevation of LAMAR or ALCOCK to the Senate. They mean the preservation of their constitution, their laws, their institutions, their civilization from impending ruin. They mean that they will take the government of their own State into their own hands. They mean that white men shall rule Mississippi.

Now, from the Jackson Clarion:

Appeal after appeal has been made in vain to the colored people. No more appeals will be made to them.

From the Vicksburgh Herald:

Colored men, remember that next Tuesday is your golden opportunity. Throw it away, and the white people will eliminate you from politics and discard you forever. The Congress already elected is democratic, the next President of the United States will be a democrat, and after next Tuesday this State and county will be democratic. You have no hope and no salvation but in acting with the democratic party in this contest. Will you do it?

From the Columbus Index:

Below we give a list of the presidents of the negro clubs in this county. In the coming election these must be marked men. We request every beat committee to save this list for future reference.

Subsequent events show what was meant by that.

From the Yazoo Democrat:

Let unanimity of sentiment pervade the minds of men. Let invincible determination be depicted on every countenance. Send forth from our deliberate assembly of the eighteenth, the soul stirring announcement that Mississippians shall rule Mississippi though the heavens fall. Then will we, irretrievable we, betide the radical tatterdemalions. Hit them hip and thigh, everywhere and at all times.

Carry the election peacefully if we can, forcibly if we must.

From the Yazoo Democrat again:

There is no radical ticket in the field and it is more than likely there will be none. For the leaders are not in this city, and dare not press their claims in this county.

I referred to the returns from Yazoo County in the first speech I made on this subject. In that county there was a regular, ordinary republican majority of 2,000. At the last election the republicans gave just 7 votes and the democrats 4,044! That shows the easy explanation of the republican electors being absent. I shall afterward introduce evidence to show that they were driven out and that a number of very bloody murders were committed in that county.

From the Aberdeen Examiner:

The present contest is rather a revolution than a political campaign; it is the rebellion, if you see fit to apply that term.

From the Vicksburgh Herald:

Spot the men who try to defeat the will of the people next Tuesday and remember them hereafter.

Remember that hereafter.

From the Jackson Clarion:

Do not submit to any of the old "back to breast" arrangement, a long line of voters in which you have hitherto had to take the rear. If that game is tried again, break

the line. After you have carried the day at the polls submit to no throwing out of votes or of boxes. Put your votes in the boxes and see that they are counted and returned properly afterward. \* \* \* Hang the registrar that proposes to throw out a democratic vote or a democratic box.

No difference how bold the fraud, how manifest it may be, "hang the registrar that proposes to throw out a democratic vote or a democratic box!"

From the Yazoo Herald:

"Shoot him on the spot," if you find any man following Waner's suggestions about "counting the votes and making up the return" in the interest of radicalism. Our colored democratic friends must not be beaten and scoffed at on the day of the election by men of their own color, steeped to the lips in radicalism. Let all such disturbers of the peace be shot on the spot as a fit punishment for their disgraceful conduct.

Democratic votes must not be thrown out by false-hearted, scoundrelly registrars, working in the interest of the radical party. If this be done, shoot the man who does it on the spot; and, our word for it, the public sentiment of the world will sustain you. Such a man deserves to die the death of a dog.

From the Vicksburg Herald:

Much as we deplore bloodshed and much as we lament violence, we believe that every riot will carry a plain lesson to the intelligent electors of Mississippi. To put down this riotous, revengeful feeling we have just got to put down the Ames ring.

Just so long as the Ames power rules Mississippi, just so long will white men be compelled to sleep with guns handy to reach.

TRY THE ROPE.

From the Yazoo Democrat:

Speaking of the troubles in Madison County, the Yazoo City Democrat for the 26th October says: "Try the rope on such characters. It acts finely on such characters here."

From the Forrest Register:

In this connection we will state that the white men who ally themselves with negroes in this conflict need not expect any better fate than they; fact is, they will be the first to suffer if the Caucasian can find them at all, when trouble comes.

From the Yazoo Democrat:

God speed the day when Mississippians shall rule Mississippi, and the Alonzo Phelps and Murrells of radicalism shall find their fate in a "stout rope and a short shrift;" then will "peace reign in Warsaw."

From the Jackson Clarion:

If the old game of packing the polls is attempted and the radicals will not give you a chance to vote, break the line! Come what will, break the line!

From the Aberdeen Examiner:

We have already broken the line in old Monroe, and we never intend that it shall be so formed around the polls as to interfere with democratic voters.

From the Vicksburg Herald:

The wanton killing of a few poor negroes is something unworthy of our people. If the killing of anybody is necessary, we repeat what we have heretofore said: Let the poor negro pass, and let the white scoundrels who have fired his heart with evil passions be the only sufferers.

I now ask my friend from Kansas to read an extract from the Meridian Mercury.

Mr. INGALLS read as follows:

LAMAR AT SCOOLA.

The leaders of the radical forlorn hope have got Jason Niles, the back-salary grabber and force-bill supporter, with Cork-screw McKee, into the country, and they went to Sagesville yesterday to stir up the negroes in that corner to the pitch of going "through blood and hell to get to the polls and vote." The quoted words are the key-note. McKee pitched the tune upon it at Okolona the other day. We echo the sentiment of the gifted LAMAR at Scooba the other day, when alluding to this diabolical advice, if, after all our overtures to the negroes to have peace, and appeals to them to cease their hostility and the scathing ruin they inflict upon us with their hostile ballots, more terrible than hostile bullets; if they will take McKee's advice to go through blood and hell to ruin us with their votes, "Go to hell and be damned!" We beg leave to add they will find "Jordan a (damned) hard road to travel."

Mr. MORTON. Again, from the same paper of another date:

Ames and his crew are, no doubt, endeavoring to have the State overrun with Federal troops, and to erect again the engineery of Ku-Klux courts to have another bayonet negro election this fall. It is reported in some of the journals that gentlemen about Jackson approached him the other day, and told him flatly that his life should be forfeit if he issued any of the State arms to negroes. While they were about it, we think he might, with equal propriety, have been spoken to about this Federal troops and Ku-Klux courts' business.

From the Forrest Register I read:

There has been a fight between the whites and blacks in Noxubee County. It is difficult to arrive at any very definite results. No white man was hurt; eight negroes were reported killed, which we fear is true, but now it is stated that none were killed, but eleven wounded. For the next fourteen months there will be lots of collisions, and we advise every white man to be prepared. The rads know it is a death struggle.

From the Jackson Clarion:

The time has arrived when the companies that have been formed for defensive and protective purposes should come to the front. There are three of them in the city of Jackson. There are others in other parts of Hinds County. Let still others be formed all over the State as speedily as possible, and armed and equipped with the best means that can be extemporized for the occasion.

From the Vicksburg Herald:

In its lead lines to the news we print elsewhere of trouble in Tallahatchie County, the Vicksburg Herald significantly says: "The negroes in North Mississippi need a little killing."

ALABAMA MINUTE-MEN STAND BY THEIR ARMS.

From the Mobile Register:

If the tocsin of war is sounded by Ames he will find men, money, and arms trooping across our border to defend our kinsmen and our trade. This is no vain and idle threat. The moment Ames organizes his militia let the democratic and conservative young men organize bands of minute men in every county. Let them stand by their arms.

From the Aberdeen Examiner:

In our sister county of Lowndes, Glead, one of the basest and most reckless negroes in the State, is now the radical candidate for sheriff, and confidently expects to be elected. The white people of Lowndes County will make the best fight possible against him at the polls, and, failing there, are determined that he shall never, under any circumstances, fill the office.

From the Holly Springs Reporter:

Governor Ames has made proclamation ordering the military companies of the State to disband at once. No attention is being paid to his proclamation so far as we have heard, and the probability is that no company now organized will disband at this particular juncture. We think the times demand the organization of more companies, and, if it become impracticable to organize by daylight, then the work will go on at that dread hour "when grave-yards yawn and hell itself breathes out contagion to the world."

I want to call the attention of the Senate to these facts. Governor Ames had five colored companies in Mississippi. It was said that, if he dared to call out those companies, it would be the signal for a general slaughter. He found that he could not use colored troops to keep the peace or to protect even the colored people; and General George, the chairman of the democratic State committee, came to him and said, "If you will now disband your militia, I will undertake, upon the part of the democratic party and my friends, that we will keep the peace." The General Government had failed to respond to the demands of Governor Ames, and he was utterly powerless, and was compelled to make a treaty with the chairman of the democratic State committee, by which that committee promised to keep the peace upon the condition that he would dissolve his military companies. He did disarm them, but no company on the other side was disarmed, and here is the evidence of it: The white companies retained their arms, and new companies were formed every day, until they existed in every county and almost every township in the whole State.

I read from the Yazoo Banner:

It is no longer "renounce the devil and his pomp," but forswear his twin brother radicalism, with his manifold machinations and chicanery; then you with your county will be safe. Take a little advice, ye lumps of radicalism hereabouts.

What that meant is shown by what afterward occurred. I will now read the following from the Hinds County Gazette:

The clubs in some parts of the county recommend that the anti-radicals vote open tickets at the election. The proposition is a good one and if universally adopted may be made answer a very good purpose. The democratic conservative committee at each voting place will be prepared with a list of all the voters at its box, and as each man votes his name will be checked off, and the character of the ticket he votes may then be entered with certainty if the democrats and conservatives agree to vote open tickets. All open tickets will speak for themselves, while the folded tickets, as a mass, may be counted radical, and the men voting them entered on the club-books as radicals. The citizens of the country—especially the land-owners and the merchants—desire to know who are their friends.

DEMOCRATIC PROSCRIPTION AND INTOLERANCE.

I said something yesterday and I want again to refer to the proscription practiced upon white republicans, the course taken to drive them out of the republican party, to destroy them if they joined it, and to keep others from joining it. I could refer to very many illustrations, but I will present one set of the resolutions that were adopted in the county of Noxubee by the Cooksville democratic club. They are published in the Columbus Index; and I will say in advance that Mr. Ma Horner, the man referred to, is the richest man in Noxubee County; is said to own twenty thousand acres of land. He was a confederate during the war and has been a conservative democrat since that time; but, being a large property-holder in the county, he had much interest in the election of proper supervisors, and he allowed his name to be put on the republican ticket for supervisor of the county, an office without emolument, the supervisor there having simply the power which a county commissioner has in Indiana and other States. Now, I want to read the resolution of the democratic conservative club, of Cooksville in regard to Mr. Ma Horner, a man of unquestionable character:

Whereas Mat Ma Horner, in the late election, acted in a manner totally offensive to the interests of the white men of our country and the policy of the democratic conservative party by violating his promise to act with said party by starting an opposition ticket with his own name connected with two scoundrels (I. L. Wilkerson and Bill Parmenter) and a negro, (Robert Lacy,) which was loathsome and despicable and injurious to the white man's cause, by causing the names of his friends and putting others in their places equally despicable, and by him and his scoundrel associates distributed and placed in the hands of the negroes on his own plantation and of the neighborhood and at a negro church on Sunday—

You see they do not like to have the Sabbath violated—

Resolved, 1. That we unanimously consider him a traitor to his country and an enemy to his neighbors.

2. That henceforth we shall have no moral, social, or political association with such a beast in a man's clothing, nor will we countenance any man who condescends to associate socially with him.

3. That these resolutions be considered as applying as much to I. L. Wilkerson as to Mat Ma Horner.

4. That the Macon Beacon be requested to publish these resolutions and send a copy to each of the two above-mentioned traitors.

5. That as Bill Parmenter has repudiated and seeks to be a white man we extend to him our cordial sympathy.

Done by order of the club at Cooksville, December 11, 1875.

J. L. HIBBLER,

President.

J. R. D. KING,

Secretary pro tempore.

A SYSTEM OF COERCION.

A very general system of coercion was adopted throughout the South by democratic clubs and associations agreeing not to employ negroes who voted the republican ticket, not to lease them lands, nor



to furnish them with or allow them to obtain for themselves any means of subsistence. I have here a number of resolutions on the part of such clubs and declarations on the part of their newspapers, but I shall content myself with reading only a few, as the time is passing. I will first ask my friend from Kansas to read from the Chickasaw Messenger a communication from Buena Vista, Mississippi. Mr. INGALLS read as follows:

Buena Vista, Mississippi, January 1, 1876.

EDITOR MESSENGER: The following list comprises the freedmen that have been reported by the members of the Buena Vista democratic conservative club as the one-third that would be refused to recontract for the year 1876. You are requested by the club to publish their names in the Messenger.

Respectfully yours,

C. A. M. PULLIAM,

Secretary Buena Vista Democratic Conservative Club.

Fred. Crow, Frank Williams, Dary Holliman, John Doss, Wade Pulliam, Calvin Gladney, Joe Moore, Henry Johnson, Anderson Williams, Ed. Bramlett, John Pulliam, Ben Valliant, Gag Brand, Wash. Chandler, Jake Walker, Henry Woodard, Lawson Pulliam, W. Huddleston, Martin Pulliam, Ed. Kyle, Calvin Gray, John Buchanan, Dan. Punds, Albert Coner, Ed. Nathan, Jim Pulliam, Simon Buskin, Bill Pulliam, George Gates, J. Featherston, Shadi Love, Hilliard Fields.

We are not familiar with the names of all the leading darkies in Buena Vista, but it occurs to us that many of them do not appear upon the list sent us. We may not understand aright the action of the Buena Vista club, but our impression was that one-third of the laborers were to be discharged, and that one-third should include such turbulent, vicious rascals as Fred McIntosh, Prince Huddleston, and others who once held high carnival in that section. Let us have no "whipping the devil around the stump," friends, but let us carry out our pledges both in spirit and letter.

HOUSTON, January, 1876.

Pursuant to a call of the president, the club met at the court-house at eleven o'clock a. m., W. S. Bates presiding.

On motion of Captain Frank Burkitt, the following resolutions were read:

1. That we solemnly declare our purpose to stand to and abide by our pledges made during the canvass, and that we will hold in utter detestation any man claiming to be a conservative democrat who by any equivocation shall in the least violate the sacred premises made by us previous to the election, either as a club or as individuals.
2. That at no time and under no circumstances will we employ those who are regarded as leaders in the radical party.
3. That we will not employ any laborer who has been discharged by any member of our club because of his past political course.
4. That the members of this club are requested to send into the secretary the names of all persons turned off by them under the above resolutions, and that the executive committee of the county is requested to publish their names.
5. That every other club in the county is requested to take like action.
6. That our papers are requested to publish these resolutions and the names of persons sent to them by the executive committee.
7. That colored men are invited to join this club.
8. That this club meet first Saturday in each month.

J. B. GLADNEY,

Secretary.

#### THE STARVING-OUT PROCESS.

Mr. MORTON. I will now ask my friend to read certain extracts, and state what papers they are from.

Mr. INGALLS read as follows:

The democratic conservative club at Rocky Springs, Claiborne County, on Saturday last, discussed the question of renting lands, advancing supplies, and employing men in the year 1876 who voted the radical ticket in 1875. It was finally determined that no member of the club should rent or advance to or employ any but members of the democratic conservative party, and any employed men who voted the radical ticket at the late election should be discharged at the expiration of the year unless they come forward voluntarily and joined the club and promise henceforth to act openly with the friends of honest and good government.

Is it not time that the Raymond club should take some definite action on this subject? We are to have a presidential election in 1876, and in 1877 a governor and all the State officers are to be elected. Our triumph in 1875, great as it certainly is, will not be complete unless we repeat it in 1876 and again in 1877.—*Raymond Gazette*, December, 1875.

Colonel R. O. Reynolds, our noble standard-bearer in this senatorial district, sounded the key-note of the campaign in his brief but telling speech at Buena Vista last Thursday, when he said that his platform hereafter was that "whoever eats the white man's meat must vote with the white man or refrain from voting at all," and the immense applause with which this sentiment was greeted showed that he had reached the heart of every auditor.—*Aberdeen Examiner*.

Remember that you solemnly pledged yourselves, each to each, and one to the other, that after the expiration of your present contracts and leases you would neither rent land to nor employ any leasee or laborer, "without regard to race, color, or previous condition of servitude," who auctioned the oppression under which you and your dear ones groaned, by his voice on the 2d of November; that inasmuch as it was impossible for many of you to make a clean sweep on the 1st of January, you each and every one of you agreed not to lease land to or hire one-third of those now your tenants and employees who disclaimed your proffered friendship, and that no one of you would contract with, as landlord or employer, any laborer or tenant who so refused.

This solemn pledge was made in the hour of danger; it was made for the salvation of all that you held sacred and dear, and you are not true men to yourselves or your country if you do not stand by it now that the storm has passed.—*Aberdeen Examiner*.

#### Resolutions adopted by the McCordy store club, Chickasaw County.

Resolved, 2. That we organize ourselves into a company, for in time of peace we should prepare for war.

Resolved, 3. That we pledge ourselves individually and collectively not to employ in any manner for any purpose, directly or indirectly, any man, black or white, who casts his vote with the so-called republican party at the next election.

Resolved, 4. That if any member of this club fail to comply with the provisions of the last resolution he be expelled from this club, and his name be published in the Messenger and Southern States.

HOW IT IS DONE IN CHICKASAW COUNTY.—The democratic clubs of this county are requested to meet at their respective club-rooms on Saturday, November 13. Every member will at that meeting give to the secretary of his club a list of the names of those of his employees with whom he does not expect to make contracts

next year. The secretaries of the different clubs will please forward a complete list of these names to the secretary of this committee.

D. P. BLACK,  
Chairman Democratic Executive Committee.

A republican victory in Mississippi this fall means 10,000 laboring-men out of work and out of food.—*Vicksburg Herald*.

Are those who are to be turned off for voting the republican ticket included in this number?—*Jackson Times*.

That's the understanding in this part of the country.—*Aberdeen Examiner*.

Men who employ hands, or rent lands, or advance supplies on crops, yet have the right in Mississippi to employ, to rent land, and to advance to whom they please. They are not compelled to contract with radicals, and they may refuse to do so if they think proper. Men do not often willingly feed and provide for their enemies.—*Raymond Gazette*.

#### TESTIMONY INEXHAUSTIBLE.

Mr. MORTON. I could treble the number of these extracts. I did not suppose it was necessary to read them all, and I have not done so. I have brought them to the attention of the Senate for the purpose of showing the spirit of the Mississippi press during the last campaign, the publications from day to day and week to week, testimony that cannot be controverted, and will not be, on the other side. It is a running history made up at the time, one not made up afterward, to suit a political exigency. I shall continue also to read from democratic sources. I now call the attention of the Senate to the letters of H. B. Redfield, published in the Cincinnati Commercial, an independent newspaper well known to you. Mr. Redfield is a democrat, and a very well-known correspondent. He has been the regular southern correspondent of that paper for eight years, and lives in Chattanooga, Tennessee. He is a very ardent democrat, but a man of great intelligence, and I think a very good man. You will find in his letters his prejudices against negroes and negro suffrage and against what he calls carpet-bag governments. I shall ask the attention of the Senate on both sides of the Chamber to the statements of facts made by Mr. Redfield. His character as a man will not be impugned, I presume, on this floor by anybody. These letters are somewhat lengthy, but they are interesting and very valuable as showing the character of the campaign. He traveled through the State of Mississippi just before the election, and his letters are written from Jackson, the capital of the State. I have quite a number of them. I shall not read all of them; but if any of my friends on the other side desire to look at these letters they will be at their service, so that they may read any of the passages that I do not read. His letter of October 25, 1875, from Jackson, Mississippi, begins as follows:

The sacrifice of life in this campaign is appalling. In the past sixty days not less than one hundred men have been killed in political quarrels or quarrels growing out of politics and the relation of the races. In this estimate I do not include such as have fallen in merely personal difficulties, disconnected with politics, such as the killing of Cocke in Senatobia, Wilson in Grenada, and Nye in Yazoo. These "personal difficulties," ending in shooting and stabbing, keep up about the same ratio in times of profound quiet and peace as in seasons of political turmoil and confusion. During exciting political campaigns the murder list is fearfully augmented by race difficulties and riots and assassinations.

But it was of race difficulties here that I propose to write, and not of personal quarrels between man and man. I was drawn into it by reading accounts of some recent killings in adjacent States, which were so absolutely unnecessary as to be doubly shocking.

The condition of affairs in Mississippi is very bad, but so much better than immediately before the recent "treaty of peace" that thoughtful men feel a sense of relief.

This was after the treaty that Governor Ames had been compelled to make with General George, the chairman of the democratic committee.

At the time of the conference between Governor Ames and the leading conservatives, the State was on the very brink of a volcano. Negro militia were strutting around, pompous with conceit and ignorance, and face to face with them in this very city were hundreds of white men, with pistols buckled on the outside of their clothing.

Other evidences will show hereafter that there were but five colored companies in the State, less than five hundred men, and, so far from strutting around offensively, they scarcely dared to drill in public, never dared to make the slightest demonstration; and those few companies Governor Ames was compelled to disband. I shall show hereafter that his own life depended upon it.

A little spark, a single difficulty between a white man and a black man, would have fired the magazine, and the most furious slaughter would have commenced. Of course, the negroes would have fallen like the leaves of the forest, militia and all. Although in the majority, they cannot stand against the whites, and it is the height of absurdity to suppose that they can, or to put arms into their hands. When the result of a race fight is figured out, it is always found that about fifteen negroes have fallen to one white man.

I think the evidence will show a hundred negroes to one white man.

But for that peace conference and agreement by the governor to disband the militia which he had just called out, all this central section of the State would have been plunged into war, compared to which the Vicksburg and Clinton riots and slaughters would be as nothing. Yet some of the skillet-headed negroes here in Jackson who owe their lives to the governor's humane action are finding fault with him for making them (the negro militia) disband and give up their arms.

The whites are actuated by a firm, I may say a desperate, determination to carry the election; that is, gain the Legislature. They say they must have it, or see their State sink into such a condition of worthlessness and wretchedness that it would not bring two dollars and a half at auction. They point to the steady decline of property and rise of taxes since the negroes took control, and they affirm that their very self-preservation demands that this rule be overthrown.

## PROPERTY NOT DEPRECIATED.

Here Mr. Redfield refers to that stereotyped falsehood about the great increase of taxes and the depreciation of property. I am informed, and I believe the statement to be true, that there has been no decrease in the price of property in Mississippi since 1870. In 1860 the property in Mississippi was valued at \$541,000,000, with the slaves. In 1870, at the beginning of reconstruction and republican government, it was valued at \$150,000,000; and there has been no decline in real value since that time, whatever the assessments may show. I am informed if a man wants to buy land he cannot buy it one cent cheaper, and in many counties he cannot buy it as cheaply as he could five or six years ago. I am told another thing, too, that land is rented in Mississippi to colored men for a price upon the acre each year that is equal to the assessed value of the land.

Mr. SPENCER. More than its assessed value.

Mr. MORTON. The Senator says more than its assessed value. I am told that in many cases it is quite equal to it, and perhaps in some cases it is rented for more than the land is taxed for. In some places cotton-land is rented for \$12 an acre to colored men, while to ordinary farmers \$6, \$5, and as low as \$3 an acre, and very many of these plantations were not appraised at over \$2, \$3, and \$4 an acre. The result is that the negroes come out in debt at the end of every year. Their earnings are almost totally absorbed, and they fall behind.

I am reading from the same letter:

## OUTRAGES IN YAZOO COUNTY.

Morgan, the sheriff of Yazoo County, had had to flee for his life, and is now in this city. He has positive assurances that if he comes back to Yazoo his life will be taken, and very properly he has concluded to remain here a while.

Now, says Mr. Redfield:

What a spectacle is this! Here is the legal sheriff of a county containing over two thousand republican majority who fears to go back, and where the majority is as worthless as straw in protecting him. Ordinarily, the thing for a sheriff to do when attacked by a mob is to summon a posse, the power of the country. But should Morgan attempt that no white man would obey him, and any negro who obeyed would be shot on short notice. In the very nature of things a negro is utterly worthless to perform this branch of a citizen's duty. Morgan is a white man, but he has rendered himself doubly obnoxious to the whites by marrying a lady with colored blood in her veins.

It looks to me very much as if the more headstrong of the whites of that county had determined to get rid of "negro rule" and had set about it systematically. Let us see. On the night of September 1, the republican club met at Yazoo City.

The account of the difficulties I have almost entirely from democratic sources—

Morgan was making a speech, when somebody denounced him as a liar.

That was in pursuance of an arrangement made in the beginning of the campaign to appoint men to attend every public meeting, and if anything was said which was distasteful to call the speaker a liar or make him leave the stand.

This, we are told, "was followed by firing, and fifty shots were fired." R. B. Mitchell, a leading white republican, was shot dead. Several negroes were wounded. Morgan was not hit, although a dozen shots were aimed at him. He jumped out of a back window, and escaped to the woods and thence to this city.

Now, anybody with half an eye or no eye at all can see that this was a plot to get rid of Morgan and the republican leaders. Not a republican fired a shot or attempted the least resistance. The negroes, like Morgan, jumped from windows and ran pell-mell out of town. Morgan came to Governor Ames and applied for militia to re-instate himself. The governor hesitated, but finally agreed. Word went to Yazoo with the rapidity of the wind, and in twenty-four hours eight hundred armed men were on the road toward Vaughan Station, to meet Morgan and his "nigger militia."

I have a democratic newspaper on my desk, giving an account of the assemblage of eight hundred and fifty armed men at Vaughan Station, with the avowed purpose of absolutely annihilating any forces that Morgan might get to come to Yazoo County to assert his character as sheriff.

The State was on the verge of war, and just at the opportune moment, when the special train was all ready to carry the negro militia to Vaughan Station, the peace policy prevailed, and Ames disbanded and disarmed them. He could do nothing else unless he wanted them killed, for killed they would have been as sure as fate. The duties of sheriff meantime are being performed by Morgan's deputies, who have not been disturbed.

But there was another republican leader whom it seemed necessary to get rid of. This was Patterson, colored, member of the Legislature. A negro was shot in a cotton-field, by whom it was not clear. Another poor devil of a negro was jerked up by the whites, charged with the crime, and he "confessed" that he did it, and that Patterson promised him \$50 for the job. This settled the fate of poor Patterson. It was excuse enough. He was arrested, and, along with the negro who made the confession, brought toward Yazoo City. A dispatch to the Vicksburg Herald says that the deputy was returning to this city with the prisoners, when they were met by an armed body and Patterson taken from him. They report him lost in the swamp. The other prisoner was brought to this city and placed in jail. That tells the story. Patterson was taken to the woods and murdered. But the other prisoner, who confessed to doing the deed, was suffered to go to jail! It was all a bungling device to get Patterson out of the way. With Morgan run off and Mitchell shot to death and Patterson lost in the swamp, the negroes would be without organization, and would of necessity allow the election to go by default. They can do nothing without leaders. What is the result?

The result of all was that the republicans, having a majority of 2,000 in that county, were only able to poll 7 votes.

What is the result? The negroes, although having a majority of over 2,000, have no ticket in the field, and peace prevails, for there is no cause of irritation. The whites will elect their entire ticket, and hereafter will allow just enough negroes to vote not to endanger their supremacy. Nothing short of the power of the Federal Government can revive the republican party in Yazoo; and then it will tumble over again as soon as that power is withdrawn.

When one of these counties escape from what they style "negro rule," no matter how, nothing but the active power of the Federal Government can restore it again.

Mr. President, with these remarks I close the discussion for to-day.

## Honesty, Reform, and Economy.

## SPEECH OF HON. M. J. DURHAM,

OF KENTUCKY,

IN THE HOUSE OF REPRESENTATIVES,

March 23, 1876,

In Committee of the Whole on the bill (H. R. No. 2571) making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June 30, 1877, and for other purposes.

Mr. DURHAM. Mr. Chairman, I have examined the bill under consideration with a great deal of care, and while I object to some of the provisions of the same, and think the appropriations made therein are inadequate in some instances, I approve of its general scope and tenor. The committee deserve great credit for the laborious investigations they have undertaken, as well as for the reasonable reductions they have made in this bill over other bills of a similar character for the last several years. I do not believe that the country is disposed to complain of fair and liberal salaries to our public servants, but when they are exorbitant, or when there are too many persons filling offices where a fewer number would suffice, then the evil should be corrected. I believe that all public servants who perform their duties faithfully and honestly should be fairly remunerated. An excess of compensation and officers, as well as too small an amount of salary, lead to corruption and dishonesty.

Many of the reductions of the amount of salaries now received by employes of the Government as proposed in this bill are eminently proper, while other reductions, in my judgment, should not be made. I fear, Mr. Chairman, that in some instances the reduction on the part of employes in some of the Departments proposed by this bill is too great, and these Departments will suffer in the public service for the want of more employes. That there is a large number of supernumeraries connected with the Government, and drawing pay from the Treasury daily in many of the Departments, is unquestionably true. The proper criterion should be to pay fair and reasonable salaries to those who are competent and faithful, requiring of them care and attention in their various avocations, and cutting off all the supernumeraries over and above what is necessary to carry on the operations of the various Departments. The country can justly complain that for years the number of employes and officers of the Government has been greatly increased, and no doubt far beyond the requirements and necessities of the public service. I find on examination that the number of employes borne upon the civil list of the United States for the years indicated is shown as compiled from the Biennial Register, and is, to wit: 1859, 44,527; 1861, 46,049; 1863, 47,375; 1865, 53,067; 1867, 56,113; 1869, 54,207; 1871, 57,605; 1873, 86,660; 1875, 102,106. A very considerable number of the above who are borne upon the pay-rolls can without doubt be dismissed from the service and there would be still enough left to carry on the Government in its various branches with promptness and dispatch. One of the consequences arising from this large biennial increase of office-holders, and it may be at larger salaries than they are entitled to, is to increase the annual expenses of the Government until they have become enormous and very burdensome to the people. Indeed, the ordinary expenses for the last few years have been very much larger than is necessary, in my judgment, arising from a number of causes; and the committee in their labors have undertaken, as I believe, faithfully and honestly to inquire into and ascertain whether some of these expenses cannot be legitimately reduced without detriment to the public service. In order that the committee may see how these expenditures have been increased from year to year, I append a list taken from the report of the Secretary of the Treasury of the net ordinary expenses from the year 1792 down to July, 1875:

From March 4, 1789, to December 31, 1791.....	\$1,919,589 52
1792.....	1,877,903 08
1793.....	1,710,070 26
1794.....	3,500,546 65
1795.....	4,350,658 04
1796.....	2,531,930 40
1797.....	2,833,590 06
1798.....	4,623,223 51
1799.....	6,490,166 72
1800.....	7,411,329 97
1801.....	4,981,669 90
1802.....	3,737,059 91
1803.....	4,022,821 24
1804.....	4,452,858 91
1805.....	6,357,234 62
1806.....	6,080,209 36
1807.....	6,984,572 89
1808.....	6,504,338 85
1809.....	7,414,672 14
1810.....	5,311,022 28
1811.....	5,562,004 86
1812.....	17,829,498 70
1813.....	28,093,306 02
1814.....	30,127,086 38
1815.....	26,953,571 00
1816.....	23,373,432 58
1817.....	14,454,609 92
1818.....	13,008,673 78

1819	\$16,300,273 44
1820	13,134,530 57
1821	10,723,479 07
1822	9,827,643 51
1823	9,784,154 59
1824	13,330,144 71
1825	11,429,450 94
1826	13,062,316 27
1827	12,653,095 65
1828	13,206,041 45
1829	12,660,490 62
1830	13,229,533 33
1831	13,861,067 90
1832	16,516,388 77
1833	22,713,755 11
1834	18,425,417 25
1835	17,514,950 28
1836	30,868,164 04
1837	37,243,214 24
1838	33,849,718 08
1839	26,496,948 73
1840	24,139,920 11
1841	26,196,840 29
1842	24,361,336 59
1843, (to June 30)	11,256,508 60
1843-44	20,650,108 01
1844-45	21,895,369 61
1845-46	26,418,459 59
1846-47	53,801,569 37
1847-48	45,227,454 77
1848-49	39,933,542 61
1849-50	37,165,990 09
1850-51	41,040,949 48
1851-52	40,389,954 56
1852-53	44,078,156 35
1853-54	51,142,138 42
1854-55	56,312,097 74
1855-56	60,333,836 45
1856-57	65,032,559 76
1857-58	72,291,119 70
1858-59	66,327,405 72
1859-60	60,016,062 58
1860-61	62,537,221 62
1861-62	456,379,896 81
1862-63	694,004,575 56
1863-64	811,293,679 14
1864-65	1,214,349,193 43
1865-66	385,954,731 43
1866-67	206,216,571 38
1867-68	229,397,251 37
1868-69	190,554,647 96
1869-70	164,658,273 84
1870-71	158,141,301 08
1871-72	153,037,346 15
1872-73	180,229,971 32
1873-74	194,217,210 27
1874-75	171,529,848 27

## Number and amount of failures in each State and Territory in 1875.

States.	Failures.	Amount of liabilities.	Valuation of property, census of 1870.
Alabama	42	\$1,118,100	\$155,592,595
Arkansas	31	301,300	94,528,813
California	237	5,281,111	268,644,068
Colorado	70	918,351	17,338,161
Connecticut	191	2,851,926	423,431,227
Delaware	21	559,500	64,787,221
District of Columbia	18	164,924	74,271,693
Florida	16	202,600	32,480,843
Georgia	156	6,128,464	227,219,519
Idaho Territory	1	3,000	5,292,205
Illinois	409	8,218,470	429,899,575
Indiana	312	4,894,052	663,455,044
Iowa	163	1,610,305	309,515,418
Kansas	88	829,400	92,125,861
Kentucky	148	3,669,758	409,544,294
Louisiana	58	2,937,684	253,371,890
Maine	130	1,537,500	204,253,780
Maryland	108	1,067,690	423,834,918
Massachusetts	772	27,494,913	1,509,983,113
Michigan	263	4,123,718	272,242,917
Minnesota	140	1,803,406	84,135,332
Mississippi	45	913,565	177,278,890
Missouri	189	3,748,793	538,129,989
Montana Territory	6	92,000	9,943,411
Nebraska	32	197,400	54,584,616
Nevada	45	1,011,700	25,740,973
New Hampshire	73	1,076,400	149,065,290
New Jersey	134	2,830,485	624,868,971
New York	706	11,920,822	1,967,001,185
New York City	951	49,263,667	130,378,622
North Carolina	56	928,429	1,167,731,697
Ohio	389	7,993,282	31,798,510
Oregon	18	219,448	1,313,226,042
Pennsylvania	183	18,247,872	244,278,854
Rhode Island	106	6,221,685	183,913,337
South Carolina	131	2,781,048	253,782,161
Tennessee	136	1,121,839	149,732,929
Texas	250	2,495,849	12,565,842
Utah Territory	8	249,500	102,548,528
Vermont	63	772,700	365,439,917
Virginia and West Virginia	138	3,296,307	10,642,863
Washington Territory	1	2,804	353,303,838
Wisconsin	245	2,130,346	
Totals	7,740	201,060,353	14,178,986,732

If the financial condition of the country is bad, the Administration and party which have been in power are responsible for it. If, as many suppose, the national-banking system is devouring and eating up the substance of the people, and the bondholders are growing richer while the laboring-men are growing poorer; if the commerce of the country is falling off every year, then this same Administration and party in power are responsible for all these results. They have had unlimited control in all the departments of the Government; if they have failed by proper legislation to meet the wants of the country, then they must be held to a rigid accountability at the bar of public opinion.

I hope the committee will pardon me while I advert to some of the causes which I believe have brought about the present depressed condition of the country. I believe the mass of the American people are honest; that they desire a good government; that they desire an honest administration of its affairs; but I believe that many of those who have been in power for years only acted from interested motives; that they disregarded the interests of the people, and in many instances acted absolutely against them. Some of these evils, I admit, have been rectified when attention has been called to them; others I hope will be rectified during the present session of Congress.

In nearly every department of the Government more or less squandering of the public money has been indulged in, and I might even say that pilfering on the part of the public servants has been indulged in to a greater or less extent. I might refer to the system of moieties which had grown up, and which was operating very detrimentally to the interests of some of our large importers, and was a source of great profit to those who were disposed to act improperly and corruptly in regard to this matter. The country very well remembers the long debate which took place here on this subject at the last session of Congress. Such was the overpowering testimony brought to light by the committee who investigated that matter, that even the Secretary of the Treasury and one of the Assistant Secretaries was absolutely driven out of office on account of maladministration in this regard.

Why, Mr. Chairman, it was proven in the investigation of that affair that even in the city of New York, within a very few years, the informers have received \$491,342 out of what is called the moiety question; that the collectors of customs at the same port had received \$174,127; naval officers had received \$162,286; surveyors of the port, \$159,376. In Boston it was proven that the informers had received \$152,798; collectors, \$50,618; naval officers, \$50,817, and the surveyors, \$50,817; while the collector was receiving \$6,000 a year, the naval officer \$5,000 a year, and the surveyor \$4,500 as their legitimate salaries. Under this vicious system these officers of the Government, whose duty it was to look well after the interest and welfare of the

I am free to say, Mr. Chairman, that very much of this extraordinary annual expense can be curtailed, by cutting off the supernumeraries alluded to, without interfering materially with fair and legitimate salaries to those who serve the Government faithfully. A very large proportion of these extraordinary expenditures grow out of the fact that many of those who have been in place and power, who have had the management and control of the affairs of the Government for the last few years, have been perfectly reckless of the wants and wishes of the people who make their living by the various honorable avocations in which they may be employed throughout the country. A system of extravagance has grown up, which in many instances has led to absolute corruption on the part of those in power; and this should be checked. It must be conceded by everybody that the business of the whole country is now in peril, and from one end of the land to the other the cry comes up to us of hard times. Men who are desirous of employment cannot obtain it; the industries of the country are paralyzed, and something should be done if possible to revive those industries. I might draw a comparison of the country in 1859 and 1860, and its generally healthy financial condition, with its condition at the present time. Some party or persons are responsible for the present state of affairs and the general distress in the country. It is true that legislation will not make a people prosperous until they betake themselves to habits of industry, frugality, and economy. When the measures adopted by the national Legislature lead to wild and reckless speculation and extravagance, the whole country seems to enter into the same spirit, and the result is general bankruptcy and ruin. As an evidence of the depression which prevails throughout the country, I might refer to the number of financial failures there have been for some years past. I append herewith a list, which I believe to be correct, of the failures of the year 1875, as well as of several preceding years, giving the number of failures in each State, the amount of liabilities, and the valuation of the property as taken from the census of 1870, in each particular State:

Years.	Number of failures.	Amount of failures.
1871	2,915	\$65,252,000
1872	4,069	121,056,000
1873	5,180	228,499,000
1874	5,830	155,239,000
1875	7,740	201,060,353



Government, and who could and should have executed all the laws upon the legitimate salary given them, received the above large amounts, when these sums should have gone into the Treasury of the United States. That law became so odious, so corrupting in its influences that Secretary BOUTWELL, while he was in office, recommended its repeal so far as it permitted the officers of the Government to participate therein.

I might also allude to what are called the Sanborn contracts. Under these, very large sums of money were secured by Sanborn and others, amounting to hundreds of thousands of dollars, when the officers of the Government should have performed all the service that was required of these special agents under these contracts; and these large amounts of money should also have gone into the public Treasury, and thereby lessening the taxation and burdens upon the people. I might allude to other things occurring within the last few years, showing to what an extent corruption and extravagance have entered into the administration of the affairs of the Government. We are familiar with the Pacific mail subsidy, and the Credit Mobilier, and how persons in high authority were engaged in these improper transactions. I might allude to the Navy Department that has been so miserably managed. Before the war we had a splendid line of ships. I believe it will not be controverted that many, perhaps hundreds of them, have been disposed of for little or nothing more than a nominal price; and the result is that we have a very inefficient and insignificant Navy at the present time. There are many grave and serious charges against some other Departments of the Government. I might allude to the system of straw-bidding that has been going on in the Post-Office Department, and which the testimony now taking before the committee investigating these matters will show had prevailed for some years back and prior to the time the present Postmaster-General came into power. I will be pardoned for saying that the proof now being taken will demonstrate that thousands and tens of thousands of dollars were paid for the purpose of securing these contracts, thereby increasing the expenditures in that Department to a much larger sum than it would have been had this pernicious system of straw-bidding been checked at the proper time. There is no service connected with the Government which does so much good as the Post-Office Department, and let it be managed as economically as it can be under the circumstances, it will hardly be self-sustaining; but the very large deficit of \$5,000,000 or \$6,000,000 a year grows partly out of the fact that those who have control of these matters have not been as watchful of the interest and rights of the Government as they should have been in letting contracts.

I might allude to the corruption and extravagance that have grown up in the Interior Department so far as our Indian policy is concerned. Perhaps there is no branch of the civil service where so much of corruption and fraud and mismanagement have been indulged in as in this Department. The very large and liberal expenditure made from year to year by the Government for the benefit of the various Indian tribes with whom we have made treaties has not accomplished the purpose which was designed by the Government. Unfaithful servants, men who cared not for the condition of the Indians, but who cared, however, for filling their own pockets, have had control of these matters for years, until it seems that a radical change is demanded in this part of the public service. I do not make any specific charges against the heads of Departments with regard to these things that they have participated in these corrupt practices, but the country holds them responsible for the faithfulness, honesty, and fidelity with which their subordinates discharge their various duties. I append herewith an extract from the report of the peace commissioners as far back as the year 1868 with reference to these corrupt practices which have grown up in this Department, and still, at this late day, there are similar complaints of such gross practices in the said Department. These men having in charge this matter must be held accountable:

The records are abundant to show that agents have pocketed the funds appropriated by the Government and driven the Indians to starvation. It cannot be doubted that Indian wars have originated from this cause. The Sioux war in Minnesota is supposed to have been produced in this way. For a long time these officers have been selected from partisan ranks, not so much on account of honesty or qualification as for devotion to party interests and their willingness to apply the money of the Indians to promote the selfish schemes of local politicians. We do not doubt that some such men may be in the service of the Bureau now; and this leads us to suggest that Congress pass an act fixing a day (not later than the 1st of February, 1869) when the offices of all superintendents, agents, and special agents shall be vacated. Such persons as have proved themselves competent and faithful may be re-appointed. Those who have proved unfit will find themselves removed without an opportunity to divert attention from their own unworthiness by professions of party zeal.

One of the propositions now being discussed to correct some of these evils is to transfer this whole Indian Bureau from the Interior Department to the War Department, so that all the disbursements made under the various appropriations for the Indian tribes shall be made by the regular Army officers. It has been asserted upon this floor during the discussion upon that question that a very large amount of money can be saved by making the transfer; some estimate as high as \$700,000. There is one thing certain, and that is, that something should be done with the management of this large fund, ranging from \$5,000,000 to \$7,000,000 a year, that would insure more honest and fair dealing in the distribution of the amounts appropriated for this purpose.

Another source of expenditure, and for which the party in power is responsible, is the large amount expended in the collection of the internal revenues of the country and the extra number of employes engaged in said collection. The sum paid to the said employes during the last year was \$2,185,462.92. Really, Mr. Chairman, in this connection I will say that the whole legislation of the country for some years past upon the subject of internal revenue has been exceedingly oppressive to many sections of the country. The very large amounts collected from this source is very unequally and unfairly distributed among the different sections of the country. Since the tax on incomes and salaries, &c., has been abolished, the Southern and Western States are paying a very much larger proportion of this tax than they did prior to the abolition of the tax on incomes. I submit herewith a schedule giving the amount of income paid in 1870, and another giving the amount paid in 1875, showing how the income paid by the various States has fallen off in the States where large salaries are paid and large capital is held, and shifted to the Western and Northwestern States:

Amount of income paid in 1870 and 1875.

States and Territories.	1870.	1875.
Alabama	\$595,700 17	\$115,689 37
Arizona	15,615 43	10,263 06
Arkansas	369,284 10	75,377 44
California	4,602,432 31	2,988,033 36
Colorado	73,910 34	70,531 82
Connecticut	2,564,477 14	627,717 96
Dakota	8,715 61	10,040 18
Delaware	451,985 70	360,331 03
District of Columbia	514,482 30	112,226 69
Florida	106,318 42	184,777 59
Georgia	1,144,241 38	388,226 84
Idaho	65,424 05	19,136 00
Illinois	18,364,366 66	17,634,636 71
Indiana	5,045,023 82	4,633,789 05
Iowa	1,377,861 34	1,040,217 69
Kansas	343,231 15	153,685 86
Kentucky	9,887,623 73	9,025,567 88
Louisiana	2,981,524 02	606,264 38
Maine	807,224 36	107,473 15
Maryland	5,438,472 91	2,760,736 57
Massachusetts	10,684,090 19	2,708,014 29
Michigan	2,918,987 30	1,521,284 80
Minnesota	467,879 15	228,302 45
Mississippi	214,792 49	96,967 92
Missouri	6,004,278 11	4,594,875 31
Montana	103,535 25	25,060 10
Nebraska	308,361 51	226,473 30
Nevada	189,027 45	58,803 30
New Hampshire	632,407 38	590,389 55
New Jersey	4,015,333 85	2,363,469 41
New Mexico	46,927 22	22,056 19
New York	36,361,550 28	15,238,881 81
North Carolina	1,398,719 95	1,630,423 53
Ohio	19,563,743 80	14,602,720 17
Oregon	323,212 01	47,939 64
Pennsylvania	16,748,704 05	6,157,960 04
Rhode Island	1,282,376 63	231,376 00
South Carolina	412,039 59	123,277 92
Tennessee	1,470,859 57	861,645 38
Texas	390,954 33	258,227 29
Utah	46,296 41	34,899 68
Vermont	352,316 65	58,582 18
Virginia	5,496,351 39	7,660,921 90
Washington	83,272 63	21,146 60
West Virginia	756,967 15	508,868 90
Wisconsin	2,363,015 03	1,522,076 75
Wyoming	25,979 89	11,942 11
Total	167,560,107 49	103,771,664 60

I allude to other matters in the management of the affairs of the country that the people have some right to complain of. We have been taught that the judicial system of the United States was a grand system; that as a general thing the judiciary were men of integrity and incorruptibility; that these tribunals to which we appeal for the protection of life, liberty, and property were above the sordid and corrupting influences of money or power; but the history of the Department of Justice is not free from the general blame that is attached to some of the other Departments. Some of the grossest frauds and mismanagements have grown up in this Department since its organization, and the investigation which has been made during the last Congress shows that there is no more fruitful source of corruption and fraud anywhere to be found in the Government than there is in the conduct in many sections of the country of the marshals, and of even the judges themselves. Indeed, some of the judges have been compelled to resign their seats rather than submit to the exposure which their criminal connection with corrupt and unprincipled marshals would have developed. The expenditures of the marshals in the various districts of the United States when fairly and honestly rendered must necessarily be large, but the practices that have grown up, of constructive mileage, of double guards, false accounts, and almost a thousand other fraudulent devices, make the amount paid to them almost 50 per cent. larger than it should be if these offices were filled by honest and conscientious men. The marshals' fees alone for the year ending June 30, 1875, were \$2,393,680. By a recent investigation had by a Committee on the Expenditures in the

Department of Justice it has been proven that one man alone was intrusted with the large sum of one hundred and twenty-five or one hundred and fifty thousand dollars, for the purpose, he said, "of hunting up Ku-Klux" and other criminals, and yet he was not required by said Department to render an account of how he had distributed that fund and to whom the said fund had been paid; and up to the present time no account has been rendered of its distribution, nor will any ever be rendered. Yet, strange to say, these corrupt practices have never been corrected by that Department, nor has any attempt been made to do this until within the last year or two, under investigations made by a regularly-appointed committee for that purpose.

I will allude to another subject, disgraceful as it is, dishonorable as it may be, which must cling to those in power because a remedy was not applied to the evil before it was too late for the unfortunate victims of that institution. I mean the Freedman's Bank. I venture the assertion that there is not in the history of moneyed institutions in the country anywhere to be found so much of fraud, so much of dishonesty and corruption as has been shown in the management of this institution, and that, too, by its professed friends. The original object of the institution was a good one, and if it had been honestly and fairly carried out and executed it would have benefited the beneficiaries to a great extent; would have stimulated them to habits of industry, to a desire to accumulate and to lay up their small earnings, and in many instances would have been a source of great profit to these beneficiaries. But insufficient securities have been taken, irresponsible agents have had control of the institution, and the ignorant and deluded depositors have been taken, step by step, in this unprofitable investment until they have been robbed of nearly the whole of their hard earnings, while those who have been guilty of these high crimes and misdemeanors have been permitted to escape the penalties of the law.

Mr. Chairman, the party in power are responsible for the very large debt now hanging upon the country, and I think it is perfectly demonstrable that by mismanagement and improper legislation this debt was swelled and increased beyond what it otherwise would have been; and thus it has become more onerous upon the people and more beneficial to those who are fortunate enough to speculate in the bonds of the Government than it would have been under a different system of legislation. I suppose it will hardly be controverted that a very large portion of the original national debt, and for which bonds were issued by the terms of the various acts under which these issues were made, was not to be payable in gold, much less the interest that accrued thereon; and yet by the legislation of those who were in power these bonds were made payable in gold, and the annual interest thereon can alone be paid in the coin of the country, thereby making it far more burdensome upon the people to meet these demands than it would have been under other circumstances. As one of the results of this bonded system and of the payment of the interest in gold, and from the fact that a very large proportion of the same are held by foreign capitalists, all the large amounts of gold which are produced in the United States are shipped to other countries for the purpose of paying the interest which accrues upon said bonds. We sometimes talk about specie payments and about resumption, and yet, while these large exportations of gold go on, it would be very difficult for us to do anything much in the way of resumption. These exportations have increased from year to year until the amount now exported equals or perhaps exceeds the annual product thereof in the United States. I find by looking over the Secretary's report the exportation of gold for a series of years to be as follows:

1861.....	\$23,799,870
1862.....	31,044,650
1863.....	55,993,562
1864.....	100,473,562
1865.....	64,618,124
1866.....	82,643,374
1867.....	54,376,196
1868.....	83,745,975
1869.....	42,915,966
1870.....	43,883,892
1871.....	84,403,350
1872.....	72,798,240
1873.....	73,905,546
1874.....	59,699,688
1875.....	83,957,139

Thus making a constant drain upon the gold of the country to meet the foreign demands against this Government. And in this connection I will say to the gentleman from Michigan, [Mr. HUBBELL,] if he will deduct from his table, made a few days since in a speech delivered in this House, the exports of gold, he will then find that under the fourteen years of protection the exports of the domestic industries of this country will be several millions of dollars less than the imports.

Now, if it be true that a large portion of the bonded debt of the United States was made payable, by subsequent acts, in coin when it should not have been done, then to that extent we have been injured by the legislation of the party in power. I have seen a statement of the result of the legislation made by a distinguished gentleman from Indiana, Mr. Voorhees, which I believe to be correct. He undertakes to show that by the sale of bonds in the years 1862, 1863, 1864, 1865, 1866, 1867, and 1868, which in the aggregate amounted to about \$2,000,000,000, and receiving therefor greenbacks at their face

value dollar for dollar, and the interest on the difference between the gold value and the paper value thereof from the time said sales were made up to the latter part of the year 1868, the Government had lost by the transaction and the bondholders had made by the same about \$1,000,000,000.

Thus in the year 1862, in round numbers, \$28,000,000; in 1863, \$94,000,000; in 1864, \$306,000,000; in 1865, \$110,000,000; in 1866, \$53,000,000; in 1867, \$167,000,000; in 1868, \$253,000,000; in 1869, \$98,000,000.

Whether this statement be true or not, the party in power was responsible for all the legislation out of which has grown the present monetary system of the United States, be that good or bad. We are told by the Secretary of the Treasury that the revenues from customs during the last year have fallen off \$5,000,000. We are also told by him that of the commerce of the United States 74 per cent. has been carried in foreign vessels and only 26 per cent. in home vessels, while in 1860 34 per cent. was carried in foreign vessels and 66 per cent. was carried in home vessels. In 1860 the American tonnage entering British ports was 1,747,651 tons; the British tonnage entering said ports was 1,136,364 tons. In 1870 the American tonnage entering said ports was 479,670 tons, and the British entering the same ports 2,778,823 tons. The falling off of American tonnage from 1861 to 1874 has been about 7,770,819 tons. In 1860 the exports and imports to and from the United States amounted to \$762,288,550. Of this the American ships carried 66 per cent. and foreign ships 34 per cent.; in 1875 the exports and imports amounted to \$1,046,448,147, and of this American ships carried 26 per cent. and foreign ships 74 per cent., as before stated. All this shows the distressed condition of the country and the injury to our commerce.

There is another matter that I desire to call the attention of the committee to, and that is the rapid accumulation of the interest upon the bonds given for the construction of the various Pacific railroads. Notwithstanding the very large land grants that were made for the construction of these various roads and the very large amount of business that is being done by them, still the interest upon the bonded debt of the United States for this purpose is increasing year by year. That the committee may see how this matter stands, I submit the following figures showing the amount of bonds given in aid of the construction of these various roads and outstanding on the 1st day of July, 1875, and the land originally granted to them. The amounts are as follows:

Roads.	Bonds.	Lands.
		<i>Acres.</i>
Union Pacific.....	\$27,236,512	12,080,000
Central Pacific.....	25,881,000	13,222,400
Kansas Pacific.....	6,363,000	6,980,000
Central Branch Union Pacific.....	1,608,000	300,000
Western Pacific.....	1,970,000	
Sioux City Pacific.....	1,628,320	
North Pacific.....		5,000,000
Texas Pacific.....		16,000,000
Thirty-fifth-parallel road.....		500,000

The interest accumulating upon these bonds, which the United States has paid and which the various roads should have paid to the Government but failed to do, is as follows: The 1st of July, 1871, there was due from said roads \$10,621,792; in 1872, \$14,447,254; in 1873, \$18,731,031; in 1874, \$22,750,883; in 1875, \$27,167,518. (See Secretary's report, pages 34, 35.)

Now, am I going too far in saying, with the vast earnings of these roads, that the agents having in charge this matter have been derelict in duty in not collecting more of the interest due by these various companies and reducing the interest as it stood in 1871, rather than to have permitted it to have increased almost threefold since that time?

There are many other things, Mr. Chairman, that I could allude to to show why it was incumbent upon this Committee on Appropriations to look into and scrutinize closely the various Departments provided for in this bill and see whether or not these tremendous expenses which have grown up under the present party in power could not be reduced, thereby relieving to some extent the burdens and the taxes on the people.

I believe that this present Congress, as has been asserted time and again, was elected with the view of bringing about a retrenchment and reform in the management of our affairs, and as far forth as we can accomplish this result and carry out the wishes of our various constituents, we should do the same; and more especially is it our bounden duty to look into all the transactions connected with the heads of each of these Departments and of their subordinates in every branch of the Government throughout the length and the breadth of the land, and see whether or not these officers act honestly in the discharge of their various duties. It is a sad commentary upon our free and liberal institutions that the investigations now going on into the conduct of these officials are developing very much of fraud and peculation, which not only brings dishonor and disgrace upon the individuals themselves, but falls with great severity upon the Government itself in the eyes of all enlightened nations.

Now, Mr. Chairman, who is responsible for this state of things? If the country is unprosperous, if these officials have acted dishonestly



estly, if our expenditures have been larger than they should have been, if public servants have received too large salaries, if destitution exists in the land, certainly the party in power must be held responsible for all the evils that afflict and fall upon the country. It may be said by some that where corruption and fraud have been traced home to persons occupying high positions in the Government these are only individual cases; yet I dare say that if the party which has been in power for the last few years had been as vigilant, had been as watchful and careful as they should have been, having control of all these Departments and free access to the books and accounts and everything in regard to the management and control of the Government, very many of these things could have been discovered before this House, with its dominant majority, undertook investigations.

I might ask, again, what excuse can there be for those who have control of these matters, or the unprecedented debt that has accumulated in the District of Columbia? Did it not occur immediately under the eye of this Administration? Did not these enormous expenses and speculations occur around the various Departments and right under the very eye of the various Congresses that assembled here from time to time? And yet no steps were taken by this dominant party to put a check upon those who were squandering the people's money and running the District of Columbia into hopeless bankruptcy and ruin.

I might ask again, why have all the frauds grown up in the country from one end of it to the other in regard to the revenue laws gone undetected and unchecked until one of the heads of one of the Departments, with honest purpose and with unflinching nerve, determined that these frauds and felonies should be stopped and the perpetrators brought to condign punishment? I fear, Mr. Chairman, there has been too much disposition to look lightly upon these matters, and that they have not made such an impression upon our minds as they should have done, until the whole country has become aroused at the enormity of these outrages and demands that these evils shall be corrected, and that honest and faithful officers shall fill the place of those who have hitherto proved recreant to the trust imposed in them by a confiding constituency.

Then, Mr. Chairman, as far therefore as we can assist in rectifying these evils, it is our duty to stand by and support the committee in all of its laudable efforts to accomplish this purpose. They have made a good commencement. In the military bill they have reduced the appropriation over preceding years \$105,593, the diplomatic and consular appropriation bill \$460,737, the fortification bill \$722,000. In the present bill they propose a reduction of \$5,724,000. If it turns out that these reductions have not injured the public service, that enough employees remain after cutting off so many of the supernumeraries to carry on the legitimate operations of the Government, then certainly we will have commenced a system of reduction which if carried out in the future will lighten very much the burdens of an overtaxed people and perhaps be the means of inducing the whole country to practice economy, frugality in public as well as in private matters.

I repeat it, Mr. Chairman, that I heartily approve of the general scope, objects, and purposes of this bill; and while I shall be constrained perhaps to vote against some of its minor provisions, I shall sustain the main features of the same, because I believe they are in the interest of economy and reform. If we can reduce the present enormous expenses of the Government without injury to the public service; if we can ferret out corruption existing in official positions and expose the same; if we can by proper legislation inspire confidence in the people and revive the dormant industries of the country, then we shall have accomplished something for our suffering country and will be entitled to the gratitude of the whole people.

#### Party Politics and the Federal Constitution.

### SPEECH OF HON. JOHN F. PHILIPS,

OF MISSOURI,

IN THE HOUSE OF REPRESENTATIVES,

March 24, 1876,

In Committee of the Whole on the bill (H. R. No. 2571) making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1877, and for other purposes.

Mr. PHILIPS, of Missouri. Mr. Chairman, this occasion, in my judgment, is opportune to give utterance to some views touching the political crisis upon us, rendered important as they are responsive to issues forced upon the country by the republican party. Involving as they do the peace and rest of the country from intestine strife, and the vitalizing principles of our constitutional system of government, to my mind they possess an importance graver than those that affect the country's civil service or its economic administration. For these cannot be adjusted effectually while reason is hushed with factions clamor and a greed for office, nor if attained would they compensate for the loss of those invaluable principles of constitutional liberty which are being so persistently and stealthily assailed.

The flaunting before the too eager gaze of the people the red flag of war, the studied attempts to rehabilitate the dismantled issues of 1860, and to vitalize the dead carcasses of secession, are but the common and shallow devices of demagogues to retain place and divert public attention from their astounding frauds, party sins, and ulterior objects. The late war, Mr. Chairman, now belongs to history. It is not of to-day. Whatever it accomplished of good or glory belongs to the country; whatever it settled, let it stand. If it demonstrated the indissolubility of the American Union, who is not to-day proud of the unity and grandeur of his country? If it manumitted 4,000,000 slaves, who is there in all the land who would manacle one of them? If it crimsoned the land and incarnadined the deep with the best blood valor ever shed, and filled a million homes with the voice of lamentation, where is the man who does not weep with those who weep, and pray God that we may all live in peace ever after?

Not here or elsewhere would I re-open questions like the later constitutional amendments or reconstruction acts. For I have long thought there was admirable sense and wise policy in that language of Henry Clay in which he conveyed the report of the committee of thirteen on the admission of California:

In grave national transactions in their earlier or incipient stages differences may well exist; but when once they have been decided by a constitutional majority, and are consummated, or in a process of consummation, there can be no other safe and prudent alternative than to respect the decision already rendered and to acquiesce in it.

The danger to the country lurks not here. The apprehension need not be that the Federal authority is not yet fully vindicated and the supremacy of the Federal Government not well re-established. But just alarm springs from the fact that the Federal Government is gathering strength by absorbing the life-blood of the States. Centralizing power in the Federal head is destroying the whole autonomy of our political system.

Amid the wild huzzas of the maddened, exultant populace at the glamour of waving plumes nodding on the heads of military chieftains, and the dazzling splendors of a mighty Republic triumphant in war, the people seem to have almost forgotten that power is ever stealing from the many to the few, and that their safety lies oftener in the traditions of the fathers and the sure guarantees of fundamental law than either the achievements of the hour or the illusions of national glory.

No intelligent man can dispassionately review the crucial experiments to which law and liberty have been subjected in this country for the last decade without the wonder that a remnant of either is left.

To my mind one of the most serious and deplorable aspects of the times is the utter contempt and sneering ridicule with which prominent members on the other side greet every allusion to the constitutional limitations of power. They have so long spurned the restraints of the Constitution, that when it is held up before them they are horrified as at the bloody crest of rebellion. The exercise of one doubtful power is pleaded as a precedent for every proposed invasion of the fundamental law, until if a halt be not soon called the usurped powers will be greater and stronger than those granted. The result is plain. Human nature is such that power once obtained is never voluntarily surrendered. It is like the jurisdiction of the old chancery courts; once taken it is never abandoned, for should it be shown to be illegal the first seizure of jurisdiction is cited for precedent, and law is made up of precedents when there is nothing else out of which to make it.

Unquestionably there are epochs in the history of nations when the instinct of self-preservation may assert itself, as in individuals, breaking through the restraints of human law and seizing any weapon in reach to preserve life. But, in the language of one of the eminent jurists now on the supreme bench, "the wants of government can never be the measure of its powers." The limitations placed on the Federal Government by the Constitution were in the interest of liberty and the freedom of the citizen in his domestic concerns. As the original source of power, they delegated to the Federal Government all the power it has, and whatever they did not expressly delegate they reserved to the States and themselves respectively. Feeling that this charter, granted by the people, lay directly in the path of the inroad the republican party was making on the reserved rights of the people, the supreme judiciary, charged with the solemn and sacred duty of holding up that instrument as a blazing, impenetrable shield to ward off the encroachments of power, was re-organized for party purposes. And its first service, rendered in the legal-tender decision, showed its recognition of the fact that in this day party, not the Constitution, is the supreme law of the land.

Disregarding all the utterances of the authors of the Constitution that the Federal Government is one of delegated powers, and therefore its expressed powers are the limits of its jurisdiction, Judge Strong says that Congress may "employ freely every means necessary for its preservation and for the fulfillment of its acknowledged duties." If this be so, what becomes of the tenth amendment to the Constitution, which the States imposed as a precedent condition to the adoption of the instrument?

Again, he says in the same opinion that the amendments to the Constitution demonstrate that there existed in the Constitution either a specified clause permitting, or the whole instrument construed together permitted, the doing of the thing forbidden by the amendment, such as the establishment of religion and the muzzling of the press. This is a sophism. Congress could not do these things, be-

cause the power was not expressly delegated; and that is the reason, as shown by the debates of the convention, why it did not insert the prohibition. Its framers were jealous all the way through to preserve the idea that what was not expressly placed in the law was denied; and the subsequent ingrafting of the amendments was the offspring of the jealousy of some of the States—a superabundance of caution. The acceptance of the amendments was no admission by the framers of the Constitution of their necessity, but rather a concession to the apprehensions and jealousy of the States, and to prevent a failure of the Constitution and Federal Union.

Equally vicious and untenable is that other inference, often made nowadays, that the Federal Government can exercise a certain power because the Constitution prohibits it to the States. This for reasons apparent. The Government being one of delegated powers, there was no need of prohibiting it from doing what it was not by expression or necessary implication authorized to do; as, for instance, the convention voted down the proposition to insert a clause preventing a restraint on the liberty of the press. The States prior to the formation of the Federal Constitution being sovereign indeed, it was necessary to restrict them by express provision in any matter sought to be taken from them.

The resolutions of Senator MORTON introduced at the other end of the Capitol as an exposition of his party theory of government, if they do not fly in the face of the Constitution, give it an unusual object and office. He declares:

That the rights of the States are defined and guaranteed by the Constitution and not by any outside theory of State sovereignty, and that the rights of the States cannot be enlarged or diminished except by an amendment to the Constitution.

This places the base of the edifice at the apex. It reverses the whole history of the modes of interpretation. It gives to the Constitution the office of restricting the powers of the States rather than those of the Federal Union. The tenth amendment to the Constitution expressly reserves to the States and people all the powers not delegated to the United States nor prohibited by it to the States.

How much more like the wise and good men who constructed our federation system would be this language? The rights of the Federal Government are defined by the Constitution; the rights of the States cannot be infringed nor diminished except by an amendment to the Constitution. The Federal and State governments are sovereign in their spheres; the Constitution is the shield of each and supreme over all.

Thus viewed, this confederate Republic of ours, with its wonderful adjustment of State and federal organization, becomes one of beautiful harmony, exact agreement, and incomparable perfection—*E pluribus unum*—one State in many; bearing the burdens and details of local administration, yet molded into one grand Republic, taking its place proudly in the family of nations. The inspiration of its draughtsmen was to make the true conception of our greatness as a people inseparable from the idea of liberty regulated by law, and our very patriotism the offspring of an enlightened feeling of personal independence. From the day the old colonies of Massachusetts, Plymouth, Connecticut, and New Haven, in 1643, declared in their articles for organic union that the united body had power over all affairs of peace and war and matters pertaining to the public concern, "but not to intermeddle with the local affairs of the colonies," the American people, no matter what a temporary party has done, have never lost sight of these cardinal notions of government, and never will voluntarily surrender them. For jeer at this phrase of "home government" if you can, it is yet the synonym of our manhood and the talisman of all valuable patriotism. It is a good angel, that watches over us by day and night, educates our childhood, guards and cherishes our old age. It is the assurance of the nation's strength, "and the amulet of her protection." It is the ultimate conservative principle in our political system which will preserve liberty for a while, even though the central power of the "nation" should end in a despotism.

When, therefore, the people of Louisiana or Mississippi claim the privilege of choosing their own administrators of local government under their own statute-laws in no wise counter to the Federal Constitution, and the Federal Executive or Congress interferes, if there are murmurings and discontentments and a feverish unrest among the people, let us not hastily conclude that it is the manifestation of a lingering spirit of disaffection toward the Union, but rather let us learn the truth and recognize the fact that it is the offspring of that instinctive attachment to home and its immunities and inviolability which springs unbidden in every manly breast, inherited from the very men who penned the Declaration of our Independence and defended it with their swords. When Gratton said the policy of England toward Ireland was to make the nation individually base in order to make her collectively contemptible, he expressed in a sentence the logical effect of the long, persistent efforts of the republican party to strike down every palisade that hedges in the autonomy of the American people.

Under laws to-day upon the Federal statute-books mounted patrols dragon the people of the States, as did the English the tax-ridden, hunted Scot, driving them away from home and friends into Federal tribunals, to answer charges ranging from common-law homicides to misdemeanors and tumults. Federal judges send their ministerial officers into States to conserve the peace at municipal school meetings, to supervise elections at the lowliest precincts, with discretion to seize the ballot-box.

#### CIVIL-RIGHTS BILL.

By the civil-rights bill, our domestic guardian, the Federal Government, undertakes to keep hotel, conduct street and railroad cars, drive stage, strut the captain on deck, play usher at theaters, usurp the domain of esthetics and the functions of an Elisor, by determining both the cast and color of grand and petit jurors in State trials.

Contrary to all intendment of the authors of our system of government, section after section has supplemented the original judiciary act, until the Federal courts, now erected all through the States, overshadowing with the mastery of power the home courts of the people, are taking to themselves the jurisdiction of all our domestic concerns.

And as an evidence how aggressive, impudent, and insatiate is the monster of power when once unchained, at both ends of the Capitol bills have been introduced at this session authorizing the Federal judges to send their marshals, or any citizen they may deputize, into municipal corporations to exercise the functions of local assessors and collectors to raise revenues to discharge municipal debts. These communities, created solely by State law, furnished with their own revenue system, their own agencies and methods for determining tax rates and levying the same, are to be raided by irresponsible Federal appointees, who, like the heathen, are to be a law unto themselves, to enter the very homes of the people, fix arbitrary valuations on their estates, and sequester for contumaciousness. Why need our republican friends declare by resolution that we are a "nation" when the last vestige of autonomy is disappearing before the strides of the empire?

After having swept, as was supposed, the whole gamut of the politico-extravaganza, our President last fall turned vicegerent, and like Paul, in addition to his multimiform burdens, took upon himself the care of all the churches. And "the expectancy and rose of the fair State"—of Maine—[Mr. BLAINE,] with the Protestant Bible in one hand and the symbol of Minerva in the other, cries out: "Death to the papists; *vive le free schools!*"

So now we are to have under Federal auspices a religious free-school crusade into the States, with the gentleman from Maine in the dual character of Peter the Hermit and chief pedagogue, and the President as patron saint. Only think of our blunt warrior President fostering the churches and schools; it is Jupiter taking the form of a swan to be caressed by Leda.

An ex-governor of Missouri has said the necessity of the times is "a President without partyism, an Army without a mission, a Congress without price, and a supreme judiciary without politics." But the splendor of this patriotic rhetoric pales before the radiance of a

#### DEVOUT PRESIDENT AND A PIOUS CONGRESSMAN!

The ministry of the clerical navigator of the world, and the prospects of that announcement recently made by Bishop Haven "in the name of the American people and true Christianity" evoked qualities of godliness and new-born zeal for letters for which Congress should pass resolutions of thanks as a fitting supplement to the amendment of the gentleman from Maine. Doubtless some unusual digression of the ecclesiastical circumnavigator from pulpit politics turned the eye of the President to that long-neglected field of sacred literature which records the conversion of Saul of Tarsus; and he determined to so change his course as to give over at least his persecution of the (whisky) saints, reckoning that the "crooked" ways and trials of this present term are not to be compared to the glory that awaits a third! The old proverb that

#### "WISE MEN MAKE THEIR OWN OPPORTUNITIES"

is the only explanation for this new departure of the republican party in flinging into our already too bitter political strifes the fire-brand of religious bigotry and proscription, the kindlings and ravages of which no human eye can measure.

Mr. Chairman, if ever there were men on this continent who had occasion to oppose and dread priestcraft and hierarchy, it was the men who founded the colonies and made the Federal Constitution. They knew what religious persecution was. Its baleful influences had burnt into their very souls. Yet just one hundred years ago there existed in all the colonies a union of church and state. But those men, steadily adhering to the line of separation between the Federal and State systems of government, in the first amendment to the Constitution only interdicted Congress in the establishment of or interference with the free exercise of religion, leaving the States free to exercise their sovereign right of controlling this and all kindred matters affecting the liberty of self-government. For those men foresaw with wondrous vision that the day the Federal Government assumed the office of a paternal government and undertook to legislate for the humanities, corruption would take the place of virtue and despotism usurp the empire of freedom. Nor can the republican party at all take to themselves any credit for the attempted settlement of this question of church and state for the States. The honor belongs to the States themselves and to the past century. Theirs is the glory. Rob not the dead.

By the voluntary act of the States, beginning with the "Mother of States," in 1785 and 1789, church and state have been divorced a *vinculo matrimonii*. The only remaining vestiges of it, perhaps, being in the State constitution of New Hampshire, which requires the governor to be not a Catholic but a Protestant, and in that legislative act of the Commonwealth of Massachusetts under which a little Hebrew girl, who, according to the habits of her people and the cus-



tom of her religious faith, observed Saturday as a religious day, was recently sentenced to three months' imprisonment in a Boston reformatory because she would not go to school on Saturday; while out on the Pacific coast the idiosyncrasy of the age manifests itself in this provision of the Oregon constitution:

Nor shall any money be appropriated for the payment of any religious service in either house of the Legislative Assembly.

This is a species of heterodoxy based, I suppose, on the idea that a fat treasury is of more moment than the lean souls of legislators. And it is noticeable that in every new or amended constitution of the States since the war the independency of church and state is guardedly secured. Why, then, need the Federal Government interfere?

What State proposes to abdicate to the Pope? What State is not intensely Protestant? What intelligent, responsible body of Catholics threatens revolution? What State is not able to take care of its own religious concerns? What State asks Congress to look after its spiritual welfare? From my observation, it would be a hard task to constitute a fit protectorate for religion out of this body of two hundred and ninety-two Levites. The people would not willingly give over the ark to such unregenerate hands.

Mr. Chairman, what has come over the spirit of our republican friends' dreams touching our Catholic brethren? What is there in the past year's history of this sect that now makes it the object of constitutional restraint lest hurt come to our religious liberty? In this very House, in June, 1874, as shown by the CONGRESSIONAL RECORD, both the patriotism and philanthropy of the Catholics in America were stoutly defended by republican orators and a republican majority.

When the sundry civil appropriation bill was pending an amendment was proposed "for the Little Sisters of the Poor of Washington City, to liquidate a debt on the building and to complete said building, \$25,000."

Mr. Parker, of Missouri, rose on the republican side, and said:

I am no Catholic, and practically I am not much of a Protestant; but, sir, I want to call the attention of this House to one fact, and especially that of my friend from Ohio, [Mr. GARFIELD,] who gallantly led one of the divisions of our Army during the late war, and that is, when the noble women of these different orders were upon the battle-fields of our country, gathering up the wounded and the dying and pouring consolation into their souls, moistening their lips with cold water, talking to them of home, mother, and friends, cheering their dying moments by leading their minds to the mercy of that God who was so soon to judge them; when they knelt before our brave soldiers upon their dying beds, did the gentleman or the loyal people ever stop to inquire what was the religious faith of these people; did they stop to inquire whether they were Catholic or Protestant, Jew or Gentile? When the gentle, white-bonneted nuns were seen carrying consolation to the gallant soldiers of the Republic upon every battle-field where our patriots struggled for the national existence, they were not asked as to their religion. Now, for the American Congress, made up of distinguished men from all parts of the country, wedded to our institutions, devoted to the cause of liberty, after what we have done already here to-day, to refuse to give to this institution what is asked here, must be done upon grounds which we cannot justify. It is too narrow a view to take of it. Patriots and gallant men cannot do this. No citizen of this Republic can undertake to maintain any such position as that.

Mr. Butler, of Massachusetts, who was always warlike in illustration, and kept his war experience, like some now on this floor, in the foreground of every question, rose and said:

I desire to add a single word; I will detain the House but a moment. This question came up again in another form. I carried to New Orleans six thousand men. I had but six hundred Catholics among them. When those men were dying in that inclement climate of fever and of malaria from the swamps, they were taken care of in the hospitals by Sisters of Charity, and the question never was asked, "What is their faith?" The only question asked was, "Are these men sick and dying?" And when that question was answered, the soldier was taken in, and he was treated as well and as carefully as if he had been of their own faith. Now, sir, with that knowledge and with the remembrance which my friend from Missouri [Mr. Parker] has called my attention to how glad our boys used to be to see those white bonnets coming upon the battle-fields and into the hospitals where they nursed the sick and dying, I would cut off my right hand before I would strike down this appropriation in behalf of any religious prejudices against their religion.

My friend from Ohio says nobody but a Catholic can belong to this association. That is true in this sense: nobody will undertake the self-denying vows, that entire devotion to charity, but those who have been driven by stern religious faith; but when they have once taken those vows they go forward to their labors to take care of the sick and dying without question as to their religious faith. I hope and trust we will vote for this appropriation without any division.

And the appropriation carried by a vote of 105 yeas to 43 nays.

But now it is discovered that political capital can be coined out of a hue and cry against these self-sacrificing people, and the whole pack of republican orators and editors is unlesashed to hound them down.

And the same purpose is the animating spirit of the present agitation of

#### THE SCHOOL QUESTION.

Just as the republicans overcome their antipathy to the Catholics in order to take out of the public Treasury \$25,000 for an ostensible eleemosynary institution, so again you evince the itching palm. You are like Don Juan's wicked sailors:

Who grieved for those who perished with the cutter,  
And also for the biscuit, cakes, and butter.

You seek to pave the way to clutch the school fund of the States, a fund belonging to the States and the people, and with which the Federal Government should not be empowered to interfere. You attempted this in your educational bill in 1873, and again in your civil-rights bill, but the well-directed courage of a few Spartan patriots checked your vandal march on the citadel of freedom. Now you shift your tactics, and by becoming the unsought and uninvited knights of a cause which is popular with the people of all parties and needs no champion, you think to still further war on the States and cover up the multitude of your party sins.

Not in the history of the Republic has the cause of popular education been so universally fostered as at this day. Scarcely any sky bending over city, hamlet, village, hill, or valley, in all this vast land, but there points to it a spire from the free-school edifices, though humble some may be, yet they pervade.

There could not be elected in any State a Legislature that would dare to divert the general school fund. And the very fact that in the extremity of the republican party it seeks to retain power by appealing to the popular sentiment affecting free schools is itself proof that the sentiment in favor of these schools is all-prevalent and powerful. Then why drag this question into Congress and on to the hustings? If a few overambitious priests and zealous Catholic papers have used intemperate and foolish speech touching this question, is that any cause for the cry "To your tents, O Israel!"

The man that did once sell the lion's skin  
While the beast lived was killed with hunting him.

Admit (and the democratic party does not deny) that the abstract principles enunciated in the proposed amendment are sound, must everything intrinsically right in theory be ingrafted on the organic law? If so, incorporate temperance and the Decalogue.

By dragging the cause of education, as the republican party is doing, into political partisan strife, they stab and wound it where it would otherwise go unhurt. Just as the cause of religion has always suffered when zealots and bigots have forced it out of its normal relation into subserviency to secular ends, so, by attempting to use free schools as a vehicle to political preferment, you wantonly antagonize it with elements otherwise friendly to its prosperity; and the party or man who would thus prostitute it is its deadliest foe and a public enemy.

Why cannot this and all its correlatives be intrusted to local communities and the public virtue and intelligence?

#### THE OLD STATESMEN OF VIRGINIA.

who were as happy in expression as they were great in thought and spirit, most aptly put this matter in the act of Assembly December 16, 1785:

Truth is great and will prevail if left to herself; she is the proper and sufficient antagonist to error, and has nothing to fear from the conflict, unless by human interposition disarmed of her natural weapons, free argument and debate; errors ceasing to be dangerous when it is permitted freely to contradict them.

To that tribunal I for one appeal. The people want and will have no Cromwells or Praise-God Barebones. They fear neither puritan nor cavalier. And there are a great many good and wise people who think you could as well turn your guns on that pseudo-political gathering at Boston last December, when bishop, clergy, and layman turned the affairs of the house of God into a town meeting for President-making; furnishing a fair specimen of the travesty progress of the day, in which we have nominations by prayers. The next step will be elections by the doxology.

What priest has ever uttered such sin against the liberty of conscience and the teaching of the Master in the Sermon on the Mount as breathes in the following resolutions offered by a "truly loyal" Protestant divine in conference at Chicago?

Resolved, That all government is based upon the religious ideas of those who carry it on, and that the Northern Methodists have acquired by conquest the right to control the religion of the South; that it is just as wrong to allow the Southern Methodists to meet and worship in their ways as it would be to allow Lee and Johnston to call together and drill their armies again. The religion of the North is bound to rule this continent, and it proposes to make a proper application of our Bible to all the Southern States and people. A subjugated people have no more right to apply their own peculiar moral ideas than to use their physical implements of war.

That fellow, provided he does not suffocate, would make a splendid adjutant-general for our Peter the Hermit from Maine. Mr. Chairman, as well get up an O. A. U. against the Methodist Church North for these extravagant utterances of individual fanatics as to organize a crusade against Catholics for pronouncements and dogmatisms of isolated parishes and editors.

#### PUBLIC SENTIMENT.

The remedy for these things rests not in constitutions or statutes.

There's still on earth a yet angustier thing,  
Veiled though it be, than Parliament or King.

It is American public sentiment—greater than Caesar, more austere than Cromwell. We all bow before its august majesty. The one thing more essentially grand than all else to be seen and felt this year will, in my judgment, be the remanifestation of this true American sentiment, carrying us back to the paths where our fathers trod.

Instead of recasting the charter they gave us let us cherish it the more, for "out of the old fields cometh all this new corn."

Out of the centennial revival let us hope there will be "born again" patriots of the olden time, who love country more than party, honor more than riches.

So that, with renewed faith in our ability to govern ourselves, justice nowhere denied, truth everywhere defended, the whole American people, from coast to coast and lake to gulf, will join Massachusetts' great orator in his tribute to our Union, as the happy and free empress, mother of States themselves free; unagitated by the passions, unmoved by the dissensions of any of them, she watches the rights and fame of all, and, reposing secure and serene among the mountain summits of her freedom, she holds in one hand the fair olive-branch of peace and in the other the thunderbolt and meteor flag of reluctant and rightful war. There may she sit forever, the stars of Union upon her brow, the rock of independence beneath her feet.



Standard Money and Low Salaries.

## SPEECH OF HON. JOHN D. WHITE, OF KENTUCKY,

IN THE HOUSE OF REPRESENTATIVES,

March 24, 1876,

In Committee of the Whole, on the bill (H. R. No. 2571) making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1877, and for other purposes.

Mr. WHITE. Mr. Chairman, we have been entertained for many hours by learned gentlemen who have improved this occasion to express their views on whatever subject was uppermost in their minds. This seems to be a parliamentary license, and of course no one will object to the liberty which I now take of expressing my views on several subjects in the same speech.

First, I desire to gather together certain valuable information on the currency question; and then I shall occupy the time of the House with a few remarks upon the bill now under consideration. In a sentence, allow me to state the conclusions to which I have come, namely: Standard money for the people; low salaries for those filling posts of honor; and for officials of the Government certainty of term of service, and such compensation as their talents, skill, or services would command in private life.

### THE CURRENCY QUESTION.

The history of our paper currency of to-day is to me a very interesting study. I have collected a few facts on the subject which may serve a useful purpose in the final disposition of this perplexing and all-important problem.

By the legal tender and sinking-fund act of 1862, all the coin received by the Government in payment of duties on imports was set apart as a special fund, to be applied as follows:

First. To the payment in coin of the interest on the bonds and notes of the United States.

Second. To the purchase or payment of 1 per cent. of the entire debt of the United States, to be made within each fiscal year after the 1st day of July, 1863, which is to be set apart as a sinking fund, and the interest of which shall in like manner be applied to the purchase or payment of the public debt as the Secretary of the Treasury shall from time to time direct.

Third. The residue thereof to be paid into the Treasury of the United States.

The plain reader sees in this an honest intention to pay the public debt in coin.

By act of June 30, 1864, the total amount of United States notes can never exceed \$450,000,000. By resolution, December 4, 1865, the House of Representatives pledged its co-operative action with the Secretary of the Treasury "to as early a resumption of specie payments as the business interests of the country would permit." The act of April 12, 1866, providing for a reduction of the currency, looked to the final resumption of specie payments.

In order to remove any doubt as to the purpose of the Government to discharge all its obligations to the public creditors, the first act passed by the Forty-first Congress, on March 18, 1869, provided and declared that "the faith of the United States is solemnly pledged to the payment in coin, or its equivalent, of all the obligations of the United States;" and, further, "to make provision, at the earliest practical period, for the redemption of the United States notes in coin."

The President of the United States, in his inaugural address, March 4, 1869, declared:

To protect the national honor, every dollar of Government indebtedness should be paid in gold, unless otherwise expressly stipulated in the contract. Let it be understood that no repudiator of one farthing of our public debt will be trusted in public place, and it will go far toward strengthening a credit which ought to be the best in the world, and will ultimately enable us to replace the debt with bonds bearing less interest than we now pay.

In his second annual message to Congress, December 5, 1870, the President says:

The average value of gold as compared with national currency for the whole of the year 1869 was about 134, and for eleven months of 1870 the same relative value has been about 115. The approach to a specie basis is very gratifying, but the fact cannot be denied that the instability of the value of our currency is prejudicial to our prosperity and tends to keep up prices, to the detriment of trade. The evils of a depreciated and fluctuating currency are so great, that now, when the premium on gold has fallen so much, it would seem that the time has arrived when, by wise and prudent legislation, Congress should look to a policy which would place our currency at par with gold at no distant day.

Again, in his third annual message, December 4, 1871, he says:

Continued fluctuations in the value of gold, as compared with the national currency, has a most damaging effect upon the increase and development of the country in keeping up prices of all articles necessary in every-day life. It fosters a spirit of gambling prejudicial alike to national morals and national finances. If the question can be met as to how to give a fixed value to our currency, that value constantly and uniformly approaching par with specie, a very desirable object will be gained.

Again, in his second inaugural address, March 4, 1873, he says:

My efforts in the future will be directed to the restoration of good feeling between the different sections of our common country, to the restoration of our currency to a fixed value as compared with the world's standard of value—gold—and, if possible, to a par with it.

In a letter to one Mr. Cowdrey, written October 6, 1873, the President

seems to have anticipated the speech of the gentleman from New York, [Mr. HEWITT.] He says:

The panic has brought greenbacks about to a par with silver. I wonder that silver is not already coming into the market to supply the deficiency in the circulating medium. When it does come—and I predict that it will soon—we will have made a rapid stride toward specie payments. Currency will never go below specie after that.

Now, Mr. Chairman, if the argument of the gentleman from New York [Mr. HEWITT] be sound, how is it, I ask, that silver does not flow from the coffers and vaults into circulation? He says in his speech of March 17, 1876:

To substitute the silver for the paper is therefore to substitute a coin of less purchasing power for the fractional currency. The resumption of specie payments means that one dollar in currency shall purchase one dollar in gold. The existing paper is therefore nearer to specie payments than the proposed silver coin. The substitution is therefore a step backward from and not a step forward to specie payments, and is therefore in direct violation of that clause of the New York democratic platform on which every democratic member from that State holds his seat on this floor, to wit: "Steady steps toward specie payments, no step backward."

I think, Mr. Chairman, that this statement will strike the country as the vision of a theorist rather than as a truth worthy of acceptance by the Government and the people. Why, sir, he boldly asserts that the substitution of silver coin (that is, specie) for the fractional paper currency (that is, a promise to pay specie) is no step toward specie payments. But, on the contrary, he says, it is a step backward; and not only so, but a step "which will tend to rob the laboring classes of a portion of the just compensation of their toil."

I desire to ask this scientific gentleman, who was elected without "any contributions of money" or without the demoralizing influence of "free liquor," (he failed to tell us how many votes, if any, he obtained by denouncing the "free-nigger Government,") whether he has safe reason to believe that "the honest and trusting souls" which have put their faith in him indorse the anti-silver doctrine which he labored so hard to prove to be for the best interests of the laboring classes?

My district is an agricultural one, and I represent as literally perhaps as does any other member the laboring classes, and I do not believe my people will subscribe to his doctrine. The producers and consumers are alike benefited by good money, and suffer alike under a depreciated currency. My people want more money; but they expect to get it in the legitimate way. They prefer greenbacks to wildcat money. But they are not worshipers of the "R. B.," rag baby. They long to return to gold and silver. Sir, the people know full well that paper currency is not money, but merely a promise to pay money; and when they shall have silver again they will feel that the promise is fulfilled, to the extent, at least, of the intrinsic value of the silver received.

The colloquy between the gentleman from Massachusetts [Mr. HOAR] and the gentleman from Pennsylvania [Mr. KELLEY] is instructive on this point:

Mr. HOAR. The gentleman retains the floor, as I understand, for the purpose of answering a question which I wish to put. There is one respect in which I do not exactly understand his position. If you stamp something upon a piece of paper that has no value and compel the laboring-man to take it, I do not understand how you thereby do him a greater benefit than when you stamp precisely the same thing on a piece of silver, which has great value, and compel him to take it. How is it that the latter cheats the laboring-man, while the former does not?

Mr. KELLEY. I speak, sir, from facts rather than theories. I tell you that to-day you can buy more gold with a greenback than with the same nominal amount in silver.

Mr. HOAR. Will the gentleman allow me to put my question in another form? Suppose you take this piece of paper made by the Government—paper costing comparatively nothing—and tie this piece of silver to it or under it, would it be worth more or less to the poor man whom the gentleman says we are robbing; and if worth more, would it not continue to be worth just as much if you took away the paper and left the stamped silver?

Now, if the object of the gentleman from New York [Mr. HEWITT] was to prove that the increased supply of silver, the demand remaining the same, cheapened its value, we will all agree to that. Is this not equally true of wheat, iron, gold, and diamonds?

The supply of gold is great; the demand is greater; hence its rise in value. The supply of silver is immense. Our silver mines are producing almost unlimited amounts of this beautiful metal. But the demand for it grows continually less; hence its diminution in value.

Is silver worthless for coin because it will not bring so much per pound in the market as it did some years ago? Is it not the same metal it was then? Has it not the same white, shining luster, the same clear and silvery ring, the same specific gravity? Does it tarnish more easily now that it is discovered in large quantities, or will it be more easily counterfeited than in the days of the mysterious Swift, of Swift-mine notoriety? The old relations between gold and silver may be somewhat changed; but can we not supply in quantity to the latter what it lacks in quality?

Article 1, section 8 of the Constitution declares that Congress shall have power—

To coin money, regulate the value thereof, and of foreign coin.

Just now we seem to have too much silver. Why? The gentleman from Pennsylvania answers this question. He says:

It is due not only to the enormous production of the great Bonanza mines, nor to the recent disclosure of the fact that the Uncompahgre range in southern or middle Colorado is likely to yield larger amounts of silver than any of the mines of Nevada, for beyond and more potent than these causes has been the demonization of silver by Germany, Holland, Sweden, Denmark, and Japan, and the closing of the mints of the Latin monetary union against the coinage of silver.

It occurs to me that gentlemen have argued on this floor that we should have a currency unlike any other in the world, and therefore plead for greenbacks and inflation. Since silver is demonetized by so many countries and our Bonanza mines are so numerous, does it not strike every one as being a favorable opportunity for the United States Government to adopt a currency that will have no temptation to go abroad, and at the same time will represent labor and wealth, serve as the basis of a medium of exchange, (where not the medium itself,) and one that will have intrinsic value as literal and real as that of wheat, iron, or gold? "It is an ill wind that blows nobody good."

But I desire to quote further on the subject of specie resumption. I am seeking after knowledge rather than attempting to teach. I find in the President's fifth annual message, December 1, 1873, this terse expression:

We can never have permanent prosperity until a specie basis is reached.

In the same message he says:

The exact medium is specie, the recognized medium of exchange the world over. That obtained, we shall have a currency of an exact degree of elasticity. If there be too much of it for the legitimate purposes of trade and commerce it will flow out of the country; if too little, the reverse will result. To hold what we have and to appreciate our currency to that standard is the problem deserving of the most serious consideration of Congress.

In his sixth annual message, December 7, 1874, he says:

Gold and silver are now the recognized medium of exchange the civilized world over, and to this we should return with the least practicable delay.

Accompanying this message, the Secretary of the Treasury, in his report, says:

Credit, which necessarily enters largely into commercial transactions, can only be steady and secure when it has for its foundation a stable currency. The quality of stability in money attaches only to coin, which, by common consent of mankind, is the medium of exchange, and to a paper currency representative of coin, because convertible into it at the will of the holder.

That which is of the highest importance is the adoption of the definite policy of resumption.

The enactment of a law having for its purpose the substitution of a sound and stable medium of exchange for an irredeemable paper currency will tend to restore confidence, and thus cause a revival of industries and general business.

#### REVIEW OF NATIONAL PLEDGES.

A very brief review of our pledges must serve to demonstrate that we cannot avoid, in any honorable way, final resumption in gold and silver coin. In 1868 the Supreme Court of the United States declares of legal-tenders that—

These notes are obligations of the United States. Their name imports obligation. Every one of them expresses upon its face an engagement of the nation to pay the bearer a certain sum. The dollar note is an engagement to pay a dollar, and the dollar intended is the coin dollar of the United States—a certain quantity in weight and fineness of gold or silver, authenticated as such by the stamp of the Government.

On the 18th day of March, 1869, Congress declared by public act that—

The United States solemnly pledges its faith to make provision at the earliest practicable period for the redemption of the United States notes in coin.

On the 21st day of February, 1872, the labor-reform party, representing twelve States, resolved—

That the national debt should be paid in good faith.

On May 1, 1872, the liberal republicans in convention in Cincinnati, Ohio, resolved—

That the public credit must be sacredly maintained, and we denounce repudiation in every form and guise. A speedy return to specie payments is demanded alike by the highest considerations of commercial morality and honest government.

Mr. Greeley, in his letter accepting the presidential nomination, after he had learned how the work of the liberal-republican convention "was received in all parts of our great country," declares, as if to remove any suspicions that might attach to his anticipated supporters from the lost cause, "that the public faith must at all hazards be maintained and the national credit preserved."

The national democratic convention assembled in Baltimore on July 9, 1872, and, after re-adopting the principles already adopted at Cincinnati, renominated this same Mr. Greeley as its candidate for the Presidency. The democratic party is not pledged to repudiation. But the country does not seem to realize the fact. How can it, when such inflationists as my colleague from the Ashland district, who almost fills the place of the distinguished Henry Clay, is elected to Congress on a repudiation platform? Yet we remember how in times gone by the democratic leaders were wont to clamor for hard money. And is this democratic House to be decoyed into the supporting of a greenback theory which must work a great injury to the credit of the nation and postpone the revival of industries and a restoration of confidence?

The regular republican convention assembled in Philadelphia June 5, 1872, declared:

We denounce the repudiation of the public debt in any form or disguise as a national crime; we witness with pride the reduction of the principal of the debt and of the rates of interest upon the balance, and confidently expect that our excellent national currency will be perfected by a speedy resumption of specie payments.

The Secretary of the Treasury is hopeful and earnest in the work of resumption; and the President renews his oft-repeated recommendations for the benefit of each Congress.

In accordance with the suggestions of the President, the pledges of all political parties, the solemnly pledged faith of the United States, and the sincere desire of the people, an act was passed January 14,

1875, which pledged the faith of the Government to resumption on and after January 1, 1879.

And now, Mr. Chairman, after we have gone thus far, gentlemen are to be found on this floor who are bold enough to ask us to violate these pledges, and to advocate that which will destroy the public credit and end ultimately in repudiation and our national dishonor. I for one can encourage no such doctrine. I shall stand by the honest policy to which the nation is pledged. I believe it to be our solemn and unavoidable duty to supply any additional legislation which may be necessary to bring about specie payments by January 1, 1879.

The Secretary of the Treasury asks for it. The President concurs in his recommendation, and adds that—

It will be a source of great gratification to me to be able to approve any measure of Congress looking effectively toward securing resumption.

The question now is, what shall we do? What can this Congress do to hasten the day of renewed confidence, revival of business, and renewed prosperity? We cannot go backward. The bridges are burned and it is easier to go forward. It is manlier to go forward. Every consideration of honesty and commercial morality demands that we advance in the direction of specie payments. Shall we hesitate and delay longer or shall we act at once and thus put to rest the doubts of an anxious and waiting nation? Let us perform our duty like men. The country will honor us for it, and our future prosperity will satisfy coming generations of the wisdom of our action.

#### THE REDUCTION OF SALARIES.

Mr. Chairman, I now desire to offer a few remarks on the bill (H. R. No. 2571) making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June 30, 1877, and for other purposes. The reduction of high salaries meets my hearty approbation and will receive my cheerful support. I hope the committee are a unit and in earnest, and will convince the country of their sincerity by a general reduction of the disproportionate salaries received by Senators and Members of Congress before making reductions elsewhere. Charity begins at home, and economy and reform must begin with the representatives of the people. But I have seen enough in my brief public service to convince me that a bill to increase salaries would meet with much less opposition here than one to reduce salaries, which any man must see are not on a level with salaries paid in private life and by private corporations. Sir, the people demand a more rigid economy; and if we cannot or will not conduct their business on business principles, why then we must give place to those who can.

I am well aware that the surroundings here in this city are not favorable to any proposed reduction of salaries. When salaries of Senators and Members and officials are reduced, the owners of property and proprietors of hotels, rum-shops, gambling-hells, and other places of amusement are losers as well as those affected directly. There is no influence here that is lent to a reduction of salaries. On the contrary, every influence is brought to bear on Congressmen here to induce them to increase the salary of somebody or everybody holding office. There is but one guiding star for us, and that is a strict adherence to our own convictions of right and a carrying out of what we know to be the will of the people.

Now, this democratic House proposes to make certain reductions. The republican members should not throw any obstructions in the way of reform or retrenchment. It would be a grave error to make such an attempt. All that we can ask of the committee is consistency: a reduction which will strike all alike. We must show by our votes that we are for any and every reformatory measure, come from whatever source it may.

It is true that social life in Washington is an expensive luxury. It is becoming more and more expensive every year. As salaries increase the desires to be gratified are proportionately increased. I do not believe that the people of this country would submit to the burdensome tariff and revenue laws now in force if they realized how disinterested we are in protecting the Treasury, if they could see the extravagance of vanity and the prevalence of selfish motives that obtain in this city of high life and social corruption. Nothing is done without a selfish end in view. Nothing is truly social; all is vanity and selfishness. No one regards true economy; everybody studies flattery; yet the people who are taxed for the support of these parasites and metropolitan lazzaroni have only "their homely joys and destiny obscure."

President John Adams expressed a public sentiment when he said:

But let us take warning and give it to our children. Whenever vanity and gayety, a love of pomp and dress, furniture, equipage, buildings, great company, expensive diversions, and elegant entertainments get the better of the principles and judgments of men or women, there is no knowing where they will stop, nor into what evils, natural, moral or political, they will lead us.

The people did not think favorably of the increase of salary from \$8 per day to \$3,000 per annum. The increase from \$3,000 to \$5,000 per annum was still less pleasing. It was submitted to as any other war measure. And when salaries were increased a third time, and the members of Congress the chief beneficiaries, the whole country arose as one man and said, "I am amazed at and disgusted with the avariciousness of Congress. What? Another increase of salary from \$5,000 to \$7,500; our franking privilege cut off and its value placed to the credit of our honorable (?) Congressmen?" O, what a spectacle was there, my countrymen! "Then I, and you, and all of us fell down," while bloody treason sorely troubled us. But the war is over



now; greenbacks, we are told, are better than silver coin, and there is no longer any good reason why we should not return to the standard of salaries paid before the war.

REPLY TO MR. RANDALL.

In view of the attempt to silence me, made some days since by a gentleman from Pennsylvania, I hope the House will indulge me in a few words of personal defense. The gentleman (Mr. RANDALL) to whom I refer had used harsh language toward this side, when, with his consent, I asked him a question which I thought involved a principle of consistency. For the information of those who were then absent I quote a part of the RECORD. Mr. RANDALL said:

Gentlemen on the other side preach economy, but when we propose to practice it they throw every possible obstacle in our way. That is their attitude to-day toward all our appropriation bills. They tell the people in one breath that they want economy, and then they condemn and sneer at every man who undertakes to enforce economy in its practical effects. I am glad to say that to this remark there are some honorable exceptions, for I should be deviled in my duty if I did not state that members of the Committee on Appropriations from the other side of the House have in the main and almost entirely co-operated with members of the committee on this side in these very reductions.

Mr. WHITE. Will the gentleman allow me to ask him a question?

Mr. RANDALL. Yes, sir.

Mr. WHITE. There are two questions I would like to ask. First, did I understand the gentleman to say that he realized the fact that the country condemned his vote on the "back-salary grab?"

Mr. RANDALL. Well, now, it is none of your business what the country realized or what I realized. I have made my statement in that connection.

Mr. WHITE. I want to ask the gentleman another question: Does he not think the country would have more belief in his sincerity in regard to this matter if that money were now refunded?

Mr. RANDALL. That is none of your business, sir.

Mr. WHITE. The country will judge of the matter.

Mr. RANDALL. My people have over and over again approved me in this place, and when I shall do aught here except what becomes a Representative they will take care to consign me back. I took that salary; the law gave it to me; my people have approved of me since; and it does not lie in the power of any miserable man here to talk about my conscience.

This effort on the part of a gentleman of recognized ability to crush a young member was as unkind as his outburst of scornful indignation was unwarranted. If the gentleman meant to insinuate that I was "miserable" because I feared the reduction of my salary, he unfortunately selected the wrong subject upon whom to vent his spleen.

I think that I could furnish ample proof, if it were necessary, to show that I am in favor of a large reduction in the expenses of the Government. Not a reckless cutting down for party purposes, but a systematic and practicable reduction in accordance with the principles which regulate business men in the interest of true economy and genuine reform. On January 13, 1876, I had the honor of introducing a bill which, imperfect as it was, indicated a remedy for our business distress, and which, if adopted, would prove an important move in the direction of specie payments. That bill proposed a reduction of 20 per cent. of the salaries received by the President, Senators, Members, and all officials receiving more than \$1,500 a year.

If that bill was "excellent and its object admirable," as one gentleman sneeringly remarked it was, why were there only twenty-five persons in this House willing to support the bill? No, sir; this House is not for any reduction which strikes the salaries of its own members. Every day this fact is becoming more clearly evident. Neither the members on that side nor on this show a willingness to come down to the economical basis consistent with republican simplicity and our duty in the exigency of hard times.

But there are members on this floor who are sincerely in favor of retrenchment by reducing salaries, cutting off luxuries and the means of extravagance. Without boasting, I can say that I am one of that number, and am so from a solemn conviction of duty. And in spite of the taunts and jeers which may come from those who have never known the slow process of earning money by hard labor, who have no higher conception of Government than that of a charitable institution for extorting taxes from plain country people to be lavishly distributed among city idlers and those who through political influence snook the public "pap," I shall cheerfully vote for every measure which promises to reduce taxes, improve our credit, and lead us to specie resumption.

With all kindness toward the gentleman from Pennsylvania, I beg to quote a few passages from the CONGRESSIONAL RECORD which I hope will be harmonized and interpreted for the information of the common people, one of whom I am.

In the House on February 24, 1873, the appropriation bill known to the country as the salary-grab steal being under consideration, Mr. RANDALL, of Pennsylvania, said:

Mr. Chairman, I do not think there is any occasion for an exhibition of excessive virtue on this question; nor is there any good cause for a flutter. It may not be amiss for me to recall at this time a little experience I have had in this connection. I was here in 1865-'66, and upon a call of the yeas and nays I was one of three men on this floor who voted to increase the congressional salary from \$3,000 to \$5,000 a year. I did so for the reason (which I told my people at home) that I thought I was worth the increased sum; that I knew I spent more.

I am in favor of the increase now proposed. One of my reasons is that if you will put members of Congress beyond temptation by giving them an adequate salary you will pass fewer subsidy bills. I believe we earn the \$7,500 for which I propose to vote; if I did not so believe I would not vote for it. \* \* \* Now, Mr. Chairman, on that particular principle I believe I am right; I believe I earn that money; and if my constituents are not willing to pay me what I earn they had better find some other Representative.

And again, March 1, 1873, on this same subject of salary steal, he says:

Upon that question I have uttered no doubtful sound and have made no doubtful record in this House. I have declared to the country and to my constituents that I believed I have earned \$7,500 a year since I have been in this Congress, and that I could not live here for less with any sort of decency.

Where was this gentleman when the vote was taken to repeal the infamous salary-grab, with its "retroactive increase steal?" Did he not then know the wish of the people? He had had seven months for reflection and quiet meditation, and yet when a vote was taken "to carry out the decision of the people upon this subject and utterly wipe out all the effects, consequences, and benefits" that had been derived by members of Congress, this virtuous and conscientiously sensitive headlight of the democratic party, who is leading this reform movement, took great care to cast his vote in such a manner as to let the ill-gotten gain remain in his pocket.

Why did he not repent of his sin and return the money like other gentlemen? O, no; the democrats were in the minority then on this floor, and of course were, as they contended, not responsible for anything. Their position was like unto that of a certain Jew merchant. He was making a sale of clothing to a farmer. His customer was reluctant and indifferent, and this Jew was offering inducements to effect a sale. Finally he said: "Mein freund, I tells you de truth; I will sell you dese goots ffor dwenty tollars, and dat ish 10 per cent. below cost." The customer declared that he did not desire to purchase anything below cost. He wished to allow the merchant a moderate profit. The Jew replied, "Vell, I tells you how it vas; dese goots belongs to a rich old uncle of mein, und I ish drying to preak him up." Are we to understand that this was the attitude of the late democratic minority?

Let us compare the votes both on the passage and the repeal of the salary-grab act.

On the passage of the salary-grab act in the House the vote stood—yeas: 51 democrats, 59 republicans; nays: 33 democrats, 51 republicans; not voting: 24 democrats, 29 republicans. In the Senate on the passage of the bill the vote stood—yeas: 12 democrats, 24 republicans; nays: 5 democrats, 22 republicans; not voting: 2 democrats, 8 republicans.

On the repeal of the salary-grab act the vote stood in the House—yeas: 75 democrats, 150 republicans; nays: 11 democrats, 14 republicans; not voting: 11 democrats, 25 republicans. In the Senate the vote on repeal stood—yeas: 10 democrats, 40 republicans; nays: 4 democrats, 4 republicans; not voting: 7 democrats, 7 republicans.

I call this a better (rather a worse) grab showing for the democrats than for the republicans, especially when we consider the large republican majority then in Congress. And yet the republican party was denounced for passing that act; nor have I any knowledge of but one distinguished democrat who ever sought to claim any of the honor of that act except the gentleman from Georgia, [Mr. STEPHENS,] late vice-president of the so-called Confederate States of America. On the discussion of the repeal of the salary-grab he said:

I was utterly astonished the other day when some gentleman undertook to speak of this question as a party question. In my opinion neither party is responsible for the measure of the increase of salary at the last session. I believe that the democracy, in the proportion of votes, according to the analysis I have seen, are as much responsible for it as the republicans.

There was at least one entire delegation that took the increased salary grab and kept it; and the wrath of the people of that State—Kentucky—waxed hot.

Some idea of the feeling of indignation that was felt throughout Kentucky on account of the passage of the "retroactive increase salary-grab act" may be gathered from the following resolution, adopted by the senate of that State by a vote of 21 to 9, to wit:

Resolved, That the conduct of the members of Congress who voted for and sanctioned the passage of said act is reprehensible in the highest degree, and meets with the unqualified disapproval and condemnation of this General Assembly, and should be rebuked by every patriot in the land, irrespective of party.

I am sorry to say that after careful investigation I have been unable to discover where any one of that democratic delegation, from Adams and Beck down through the list, failed to take or ever returned to the Treasury any part of the salary grab. But Kentucky is a democratic State, always for honest reform and rigid economy. See how sincerely and honestly a granger Legislature of that State elected a little while ago the inconsistent reformer, Hon. J. B. Beck, to the United States Senate. Only a democratic State can survive such fitful backing and filling.

But, by way of parenthesis, right here allow me to remind gentlemen of a fact which perhaps has not been discovered to the country by the patriotic course of unbroken delegations of members from that State which I have the honor in part here to represent. It is this: that Kentucky never rebelled, never seceded; that for every one who stole away to join the armies of a wicked rebellion there were two brave men who cheerfully marched under the flag of their country to die if need be for the cause of the Union. And I predict that the day is not far distant when the honest Whigs and Union-loving people of my State will remand to private life their party leaders who do too much for party capital and too little for the development and best interests of the country. It is something of this same kind of purity and virtue which seems in these latter days to control the action of the distinguished gentleman from Pennsylvania



who has charge of the legislative, executive, and judicial appropriation bill.

How is it that he can live on a forty-five hundred dollar salary now when he could not live on less than \$7,500 in 1873? He said he could not live in "any sort of decency" for less than \$7,500 then.

Can a Congressman live \$3,000 a year cheaper now than he could in 1873? Or has the chairman of this committee concluded to live in a sort of indecency for the sake of a little party clap-trap for the coming presidential election? Like the frog, he "goes it with a jerk."

Of all the funny things that live  
In woodland, marsh, or bog,  
That creep the ground, or fly the air,  
The funniest is the frog.  
The frog—the scientificest  
Of nature's handiwork—  
The frog, that neither walks nor runs,  
But goes it with a jerk.

Gentlemen should not fall into the error of supposing that because two events are contemporaneous the one must necessarily be the cause and the other the effect. Nor can the people be made to believe such nonsense. The idea that the American people intended to show their approval of the democratic doctrines by giving to the opposition the control of this House is a vain hallucination entertained by the credulous politician, and can be imposed upon the ignorant voter only.

The effort which the democratic side of this House is making to prove to the country that they alone are honest and to them should be intrusted the control of this Government is in very bad taste. The fact that aiders and abettors of a gigantic and wicked rebellion should sit on committees to investigate *ante bellum* democrats is a singular one. I refer particularly to the Belknap affair.

Knowing as I did of a charge of corruption made against Hon. Green Adams, now Chief Clerk of this House, while he was Sixth Auditor of the Treasury, for appropriating several thousands of dollars to his own use which should have been paid into the Treasury, since the money was the proceeds of the sales of waste-paper which belonged to the Government—I say that being cognizant of these facts, it struck me as a little bit amusing that this man Green Adams should be the officer of this pure democratic House to carry articles of impeachment for high crimes and misdemeanors from here over to the Senate. He was a republican then, but you took him from us and reward him with a high office.

God grant that the democratic party may continue to bid for our bad men, and by and by the sober, honest, and true reformers of that party will abandon such corrupt associations. God grant that we may purify the republican party, and prove ourselves worthy of the association and earnest support of the sober, the honest, the law-abiding, and true men of this our common country.

Credit mobiliars, Sanborn contracts, and Pendleton contracts; the sale of cadetships, and post-traderships, and salary-grabs, (for services never rendered,) are all disgraceful things, which bring the blush of shame to the face of every believer in strict economy and honest government.

But the thinking people of this vast country will not fail to take the exact measure of these insincere reformers who will not allow any "miserable man" to talk about their consciences. Methinks I hear the intelligent plain people saying: "Thou blind Pharisee, cleanse first that which is within the cup and platter, that the outside of them may be clean also." The role which you assume you cannot play. The people are peeping behind the scene and laughing at the guise which is intended to conceal your true inwardness. As in New Hampshire so you shall hear all over this broad land: "Woe unto you, scribes and Pharisees, hypocrites! for ye are like unto whited sepulchres, which indeed appear beautiful outward, but are within full of dead men's bones and all uncleanness."

In my humble opinion the "tidal wave" which swept over the country in 1874, and which swept over the hills of Southeastern Kentucky in a contrary direction, was a wave of righteous indignation, evidently intended to kill off certain would-be leaders with a view to supplying their places, in the early future, with better men. The "tidal wave" was merely the execution of a traditional threat beautifully expressed by the poet thus:

And will ye muzzle the free-born—  
The man—the owner of the sod,  
Who "gives the grazing ox his meat,"  
And you—his servants here—your seat!  
Hear us, or from us ye will hear!  
Beware! a desperate game ye play!  
The men that thicken in your rear,  
Kings though ye be—may not be scorned,  
Look to your move! your stake! Ye're warned.

The opposition majority here to-day is evidence of the frown of an insulted people, not of an intended elevation to power of the heterogeneous and discordant elements improperly called the democratic party.

The principles of the republican party are as dear to the American heart to-day as they were at the hour of the assassination of President Lincoln; and he is a blind observer of passing events who fails to discriminate between a growth and a transition; a sloughing off and a transmigration; an internal purification, and a public approval of a distrusted opposition which is to so large a degree composed of those who are anxious for repudiation. The republican party is still the

party of reform and progress. Its sun is not setting. It is gaining new strength, and retains the confidence of an intelligent people.

Truth crushed to earth shall rise again:  
The eternal years of God are hers;  
But Error, wounded, writhes with pain,  
And dies among his worshippers.

REDUCE ALL SALARIES ALIKE.

Now, Mr. Chairman, I am in favor of reducing salaries. I believe that Senators and Congressmen and clerks, with very few exceptions, are overpaid. Of all these public servants the large majority of them are getting more pay for less work than their talent and skill would command in private life; and that too at a time when thousands are begging for employment at low rates of wages.

Sir, if we preach economy we must practice economy. If the people are required to cut off luxuries and are taxed till they have not the means to gratify their desires, then we, too, must limit our expenditures, cease to be extravagant, and apply the revenues collected to the payment of principal and interest of the public debt. Such a course will encourage our depressed and tax-ridden people. Wise statesmanship demands it of us.

Mr. Chairman, after we have reduced our own salaries to the point that will cover our actual losses and necessary expenses without extravagance, then, sir, we can with reason apply the same principle to the subordinates in the several Departments.

As to how much shall be taken from the salary of each clerk, assistant, or chief in these Departments, that is a question for after consideration. In my own opinion that matter should be left to the head of each Department. There can be no reasonable doubt that the system of first, second, third, and fourth class clerks is all wrong. Especially is this true when promotion from one class to another depends entirely upon political influence. And it is equally true that few if any of those classes of clerks could earn one-half of their present salaries in any of the vocations of private life, and that lady clerks should receive as a rule but \$900 a year for doing similar work to that for which gentlemen receive \$1,200, \$1,400, \$1,600, and \$1,800, respectively, is an unjust discrimination and is an outrage and disgrace to the nation.

This is the bloodiest shame;  
The vilest stroke;  
The wildest savagery,  
That ever wall-eyed wrath,  
Or staring rage,  
Presented to the tears of soft remorse.

All clerks below chiefs and assistants should be appointed for life or during good behavior, and the whole subject of compensation for skill and talent should be left to the heads of the Departments; and they should pay salaries commensurate with those received for similar work performed in private life. Ladies and gentlemen of talent and skill should receive such pay as experts alone can command. Like work, like salaries; business on business principles; have no favored classes; and put the pay of Senators and Members just high enough to defray all lawful and necessary expenses, and at the same time low enough to offer no mercenary temptation to any one. If we will do these things we shall have done the will of the people. The fast and riotous way of living indulged in here by overpaid officials, whose extravagance in outward show is aped by the poorest paid subordinate is not approved of by the plain people who are the bone and sinew and life of the nation.

As I have said before, so say I again, that I shall give my support to all measures of practicable retrenchment and true reform, for these are the steps which will bring us to specie resumption. Then we shall have honest dealing with honest money; and we shall prosper, because then confidence and enterprise will be restored. And the money that we save shall go to the honest payment of the public debt, pensioning the widows and orphans of soldiers, equalization of bounties, to the improvement of rivers, and development of the country, and to defraying the necessary expenses of the Government. To arrive at specie payments and the economical administration of the Government, and to encourage the sound business interests of the country are the great questions deserving our most careful consideration.

#### Subsidiary Silver Coin.

### SPEECH OF HON. GEORGE W. CATE, OF WISCONSIN,

#### IN THE HOUSE OF REPRESENTATIVES,

March 31, 1876,

On the bill (H. R. No. 2450) to provide for a deficiency in the Printing and Engraving Bureau of the Treasury Department and for the issue of silver coin of the United States in place of fractional currency.

Mr. CATE. Mr. Speaker, this bill is a very important one, affecting the people more intimately than any other measure before Congress at this session. The poorer class, that class which measures its daily use of money with the fractional currency, will feel beneficially or otherwise the influence of this measure more keenly perhaps than those

the magnitude of whose business enables them to handle large sums of money. But it is important to all classes, the rich as well as poor, that the volume of fractional or small-change currency be large and beyond the reach of those influences that so often derange and demoralize the currency common to the world because it is indispensable in the transactions of daily life. There is nothing to take its place; no substitute known to the laws of trade has been found to take the place of fractional currency. If there is a scarcity, or none at all, the inconvenience must be submitted to until a supply can be had. Not so with the money of the country. If there is a scarcity of that, its place is measurably supplied with checks, drafts, notes, and bills of exchange, so that business goes along and does not experience the inconvenience that is felt in every shop throughout the land when there is a dearth of small change. Therefore, in proposing measures by which the fractional currency is to be supplied, the important elements stability and permanency must not be lost sight of.

This bill directs the Secretary of the Treasury to issue silver coins of the United States in the redemption of the fractional currency until the whole volume of fractional currency shall be so redeemed, and its supporters claim that it is a first step toward an early resumption of specie payment. I do not so regard it. I cannot see that it has any such relation to the great question of the resumption of specie payment. No gentleman has explained how the substitution of silver for our fractional currency has any relation or bearing on that question. Suppose forty or fifty million dollars in paper fractional currency is burned up, and the like amount of halves, quarters, and dimes of silver goes into circulation in its place, would it have any influence on the value of the paper money of the country? Of course not the slightest; and no man can demonstrate that it would have any tendency to hasten the day desired by everybody when gold and legal-tenders shall have the same purchasing power. We are told that the Secretary has been buying silver and coming it until he has in his vaults twelve to fifteen million dollars in silver coin, which he would use in complying with the provisions of this bill.

Now I have no objection to putting this coin in circulation at once; let the Secretary pay it out in discharge of any obligations against the United States, and allow it to circulate along with and side by side with the paper fractional currency; that will be a cheap and expeditious way of testing its staying qualities. If it remains in circulation, we may still further pursue the experiment; but if I apprehend it, it will speedily disappear. We shall have lost nothing in the simple act of putting the silver in circulation. But if it is a step toward an early resumption of specie payment, have the people demanded that? Is it not a fact that from all over this land there has come up to us a demand for the repeal of the resumption act, an unconditional repeal? so that, viewed in the light of being a step toward specie payment, I am certain this measure will not be approved of. The fact is the people are satisfied with the currency we now have; if they can have enough of it to answer the demands of business, they will be content.

Two principal objections to the passage of this bill present themselves: First, that you cannot float a currency of silver at this time in this country, not until gold and silver, the acknowledged standard currency of the world, stand on a level here. So long as silver is anywhere a legal tender in payment of coin debts, so long will there be a demand for it that will destroy the stability and uniformity of the volume of any silver currency we may attempt to establish. When gold and silver shall be upon a common level we shall be able to maintain a currency of silver coins, but until that time shall arrive it cannot be done. While with us it is at so large a discount and at par with gold elsewhere, will it not be gathered up and sent away? It is folly to suppose that it will not be exported if it is worth more abroad than it is worth here. By what means shall we prevent its exportation? Why, everybody knows we cannot prevent that, however much we may desire to.

The Secretary has been coining and keeping coins a long time, until millions have been accumulated, and its depreciation has caused a loss of several hundred thousands of dollars, all of which might have been saved by paying it out in discharge of any demands against the Government where gold was not required, and during all the time this silver has been accumulating and shrinking in value as compared with gold the Secretary might have put that silver in circulation. Now, why did he not do so? The answer is, because he knew that it would be gathered up and shipped out of the country, because it is worth more elsewhere than it is worth here. He acknowledged the force of arguments which the friends of this bill ignore but do not attempt to controvert; they do not attempt to tell us why the silver put in circulation will not be gathered up and sent away if there is a profit in so doing.

Why did England, having a large sum of money to pay, decide to pay it in silver when she had not the silver with which to make the payment instead of using her own gold or the Bank of England notes for that purpose? The answer is so plain that he who runs may read: because it was cheaper, because it would take less of her gold to pay the debt by first turning it into American silver, and applying that in discharge of the debt, than by using her gold directly to that purpose. One hundred dollars in British gold will buy \$120 of our silver, not intending to be exact, but approximately that. Now, with that margin existing between gold and silver, does it need argument

to show that our silver coins will "hie away" across the water as fast as we turn them out of our vaults? The fact that on a recent occasion England appeared on the Pacific coast a competitor of Mr. Bristow shows that this matter is well understood; and the same practice will be resorted to whenever an honest penny can be made by it.

But to revert again to the action of the Secretary in not putting silver in circulation as required by law. Mr. HEWITT, of New York, stated that the law left it discretionary with the Secretary whether he would issue the silver or not. I do not so understand the law. It not only authorizes but requires him to put in circulation small coins in the redemption of an equal amount of the paper fractional currency in circulation, and for the purpose of procuring the silver necessary to carry out the provisions of the act he is authorized to use any surplus revenues of the Government not otherwise appropriated, and to sell for the same purpose 5 per cent. Government bonds. Under this law, there being of course no surplus revenues at the disposal of the Secretary, he, as the law contemplated he would do, proceeded to issue 5 per cent. bonds, and sell the same and invest the proceeds in silver for coinage.

Now, the objectionable feature of this law, and in regard to which the Secretary should have exercised a discretion, if he had any at all, in favor of the people, is the provision allowing the issue of bonds, and there is no possible doubt but he is just as much obliged, under this law, to issue the coins as to issue the bonds and buy the silver. If he had refused to buy this silver and issue bonds for it, he would have been entitled to the thanks of the country. But why he felt bound to buy silver on a falling market and then decline to issue it until we have lost by depreciation more than a million dollars is to me inexplicable. He had the like authority in both cases and the like discretion. Why, then, does he require legislation still further directing him to issue this silver coin? I answer, because, knowing the consequences, he will not take the responsibility without a further act of Congress; because, in the words of the Nation, he knows "the subsidiary silver coin which it is proposed to issue here will leave the country as certain as water will flow down hill."

Another reason why he did not issue the silver was that he is only allowed to float 20 per cent. more coin certificates than he has gold and silver on hand; therefore, if he pays out the twelve to fifteen million silver now in the vaults, will he not be compelled to redeem the gold certificates outstanding to the amount of \$18,000,000; the last statement showing but \$28,000,000 in coin all told, and \$33,000,000 coin certificates outstanding. Now, if this is so, and the law is complied with, these coin certificates must be redeemed if the silver is put in circulation, and the Secretary has not the gold to do it with. With these facts staring him in the face, is there wonder that so able a man should hesitate to take the responsibility and should prefer to throw it upon this Congress? It seems to me that the hesitation of a man who possesses in so eminent degree the confidence of the country and so much more likely to form correct conclusions in regard to this question should lead this House to hesitate before again requiring him to do that which he has declined to do under a law as obligatory upon him as this measure will be if it shall become a law. The great error was in not refusing to execute the act at all.

Silver is being continually taken from our shores; only a day or two ago the Java steamship took a large amount, and it must continue to be so, continue to be an article of exportation, so long as it is worth more elsewhere than it is worth here. It goes in virtue of the inexorable laws of trade that cannot be overthrown by the theorizing platitudes of politicians. Suppose any extraordinary demand for silver shall at any time occur in the Old World, such for instance as the remonetization of silver by Germany, which is not unlikely to occur, would not the demand be so great as to sweep our small change out of the country in a single day? If our paper money shall be worth less than silver, our own people will hoard the silver to an extent that will cause a serious inconvenience; indeed my own experience teaches me that with paper and silver at par, silver coin will be sought for and hoarded by our foreign-born population, who as a rule prefer coin, and you will find that whenever and wherever coin and paper circulate side by side they will make all their purchases with paper, using in every instance such denomination of paper as will require change in return, and then hoarding the change. This done in localities largely peopled with this class will make small change scarce. Therefore, looking at this question in the most favorable light, I can see no possible hope of keeping our silver at home if we put it in circulation until gold and silver shall stand upon a common level.

I am unalterably opposed to any further issue of bonds. A hundred millions in gold is required to pay the annual interest on the public debt. It comes from the hard earnings of the people, a tax on labor to that extent; and it is one of the cardinal doctrines of the party to which I belong at home that the interest-bearing debt of this Government shall not be further increased in diminishing the non-interest-bearing debt. Yet this bill contemplates just that, and to the unknown extent of keeping up a silver fractional currency of say \$50,000,000 continually subject to the inroads of the "bulls and bears" and the demands for exportation. A constant drain will set in the moment the first issue is made, which will have to be supplied by a further issue, involving, of course, the further issue of bonds; gradually but surely transforming the products of the silver mines



into the gold bonds of the United States, greatly to the benefit and advantage of the already rich owners of those mines, but to the injury of everybody else.

With every possible respect for the opinion of others, it seems to me that no good reasons have been assigned for the adoption of this measure, and no man has attempted to controvert the objections that have been urged against the impossibility of maintaining such a currency in uniform volume, or at all, except by the continual purchase and coinage of silver to keep pace with the drainage caused by the export demand and hoarding by our own people. The fractional currency needs to be permanent and ample in volume, and for that reason if for none other it should be a national currency, that is confined within the jurisdiction of the power issuing it, so that it might not be subject to the influences that, operating upon a currency common to the world, or based on a money common to the world, produces fluctuations both in volume and value. The volume of the small change ought to be beyond the reach of such influences. Let it be the money of this country, for which there will be no demand elsewhere; one that is money nowhere else. It will answer our purpose just as well, and the amount in circulation can easily be kept in sufficient volume to answer the wants of trade.

I do not think the time has come when it will be safe to retire our present fractional currency and substitute for it a money for which there is a demand the world over. It has fulfilled the demands of trade; no inconvenience has arisen from its use; and I think the country is satisfied. It possesses in full the only essential elements in a fractional currency, convenience, sufficient volume, and convertibility in case of redundancy. What more is necessary? But it is claimed by the silver men that it is too expensive. But it has been demonstrated on this floor that it is not more expensive than silver when we take into consideration the interest we shall be continually paying on the bonds issued in its purchase. It is worth while to consider upon this point that the cost of the paper fractional currency is wholly for material and labor, the cost of which is explained here at home among our own people. By the recent suspension of the Printing and Engraving Bureau some fifteen hundred persons were thrown out of employment, a large portion of whom have families dependent upon them for support, and all are in destitute circumstances. Many even now are objects of charity; a collection was taken up for them in most of the churches here last Sunday, and this fact stares us in the face, that some provisions must be made for these people so unceremoniously thrown out of an employment in which they had for years been engaged, and which they no doubt supposed was permanent, and compelled to apply for support to the too-often cold charity of the world; these people are beggars through the unexpected action of the Government, against which no one would expect them to provide.

Now, in the absence of any controlling principle involving the economy of our finance management, is it not the part of wisdom to go on with our present system, thereby securing in the future, as we have had in the past, a convenient and sufficient small-change currency, as cheap at least as the silver coins can be furnished, besides furnishing without any loss to the country these hundreds of poor people the means of earning their daily bread. On the other hand, if this bill shall become a law, we may reasonably expect—I say reasonably expect because no man on this floor has attempted a denial—a currency less convenient, less steady and equable in volume, to-day enough and to-morrow all gone, and, in addition to a bonded debt already so large as to threaten the country with bankruptcy, hundreds of millions of gold-interest-bearing bonds to go into the hands of the money-kings who absorb all the profits of labor and are eating at the vitals of this people. No; let us avert the evils likely to ensue in the adoption of this measure by making a speedy appropriation to set the suspended department at work, thereby furnishing labor to those who are beseeching on every hand for an opportunity to work.

I impugn the motives of no man, but I believe this to be a move in the interest of the great silver mines of the country, an attempt to create a demand for silver by bringing the Government into the market as a purchaser, and through it to supply the world with silver. Silver has been a "drug" for some time and is getting no better; the owners of the great Bonanza mines are becoming alarmed; it is proposed to compel the Secretary of the Treasury to do that which his judgment tells him he ought not to do, what the people have not demanded and do not want, what he has refused to do under a law just as obligatory as this will be. Who is demanding this measure outside of these Halls? Nobody, absolutely nobody, but the men who have silver bullion on a falling market, that they are anxious to exchange for United States gold bonds. But, I repeat, waiving all other considerations, we are not in a condition to enter upon this experiment. The Treasury is empty; the revenues have fallen off, while the interest account has been increased by this foolish attempt at silver resumption; there is but little gold in the Treasury, and the full amount of coin certificates outstanding.

In conclusion I offer the opinion that this measure and all others that contemplate the further issue of gold bonds will meet the unqualified disapproval of the people; and that any increase of the interest-bearing debt of this nation for the mere purpose of reducing the debt that bears no interest will sink the party proposing or sanctioning it deeper than the lower Silurian sandstone.

"Straw Bids."

## SPEECH OF HON. WILLIAM H. STONE,

OF MISSOURI,

IN THE HOUSE OF REPRESENTATIVES,

April 7, 1876,

On the subject of straw bids in the Post-Office Department.

Mr. STONE. Mr. Speaker, probably no member of this House has felt a deeper interest than I have in the investigation which has been and is being made by the Committee on the Post-Office and Post-Roads, under the resolution of the Committee of Ways and Means of January 14, and the resolution introduced by myself January 24, in which I called attention to the statement of the Postmaster-General in his last annual report to the effect that certain parties evaded all laws enacted, and succeeded in defrauding the Government out of hundreds of thousands of dollars annually through the system of straw bidding.

This official statement and the investigation of the charges or admissions by the Postmaster-General have been of special interest to me, for the reason that I had on the 13th of April, 1874, made similar charges, and endeavored to have the subject thoroughly investigated by Congress at that time.

The preamble and resolution I then introduced, alleging irregularities and abuses in the Post-Office Department, and citing numerous cases taken from official documents to sustain those charges, was referred to the Committee on the Post-Office and Post-Roads; but no power was conferred upon the committee to compel the attendance of witnesses, and none were summoned, but these-called investigation was simply an examination of the official records and an inquiry of officials of the Post-Office Department as to the legality of their own acts.

To the end that the case may be clearly understood, I beg to call the attention of the House to the following letter addressed to Hon. JOHN B. PACKER, chairman, &c., that they may judge whether I was justified on April 13, 1874, in alleging that there were "abuses and irregularities in the Post-Office Department."

HOUSE OF REPRESENTATIVES,  
Washington, D. C., May 5, 1874.

SIR: To my surprise, I am furnished with the following by the clerk of your committee, in response to my communication of date April 30, 1874, requesting that "David A. Floyd, contract clerk Post-Office Department be summoned to give testimony in regard to abuses and irregularities in the Post-Office Department, as alleged by me," to wit:

"The Postal Committee desire me to inform you that, according to their rules, it will be necessary for you to furnish them a statement of what you desire to prove by any witness before they decide as to the propriety or necessity of calling any of them, as you have been previously informed by the resolution of the committee."

This resolution being in such direct contravention to your resolutions of April 18, 1874, which are as follows:

"Resolved, That the committee will proceed to make the examination and investigation contemplated by the House in referring the said preamble and resolution to this committee, and that for that purpose the committee will meet on Monday next at ten o'clock."

"Resolved, That Hon. W. H. STONE be informed of this action of the committee, and that he be respectfully invited to attend all the meetings of said committee pending said investigation, and to make any suggestions he may desire in relation to the charges contained in the said preamble and resolution, and also to furnish the committee with any evidence in his possession or knowledge touching the same, or that he has reason to believe exists, as well as the names of witnesses having any knowledge touching the premises and investigation."

I shall most respectfully decline proceeding or participating in any examination or investigation under the restrictions contained in the committee's resolution of April 30, 1874. I think great abuses exist in the letting of Post-Office contracts, and I have suggested to you the names of employés in the Post-Office Department who I believe will establish these abuses. But what particulars each one would prove I am of course unable to state.

I invite the attention of the committee to the following extracts from Executive Document No. 322, Forty-second Congress, as also to the manuscript reports of the Post-Office Department made to the Forty-third Congress in possession of your committee in support of the alleged abuses and irregularities which have existed in the Post-Office Department, and do still exist, and which I allege will be proven to your entire satisfaction upon a separate examination under oath of David A. Floyd, G. W. Turner, William Sickles, James S. Wood, James S. Sharp, A. H. Brown, W. B. Gonçalves, H. W. Wheeler, Cranston Laurie, Dr. J. M. Parks, and James Van Vleck, all of the Post-Office Department.

The following proof of abuses and irregularities will be found in Executive Document 322, Forty-second Congress:

That bid for \$900 was accepted for route 7587, and contract was made with F. P. Sawyer for \$34,296. That he was not a bidder.

That bid for \$1,800 was accepted for route 7590, and contract was made with F. P. Sawyer for \$12,000, which was \$2,227 more than his bid.

That bid for \$400 was accepted for route 7592, and contract was made with F. P. Sawyer for \$1,500.

That bid for \$1,400 was accepted for route 8533, and contract was made with F. P. Sawyer for \$9,900.

That bid for \$1,800 was accepted for route 8536, and contract was made with F. P. Sawyer for \$27,000.

That bid for \$3,300 was accepted for route 8537, and contract was made with F. P. Sawyer for \$17,612, being \$1,612 more than his bid.

That bid for \$3,700 was accepted for route 8538, and contract was made with F. P. Sawyer for \$63,730, being \$18,730 more than his bid.

That bid for \$4,300 was accepted for route 8539, and contract was made with F. P. Sawyer for \$81,706.

That bid for \$2,990 was accepted for route 7647, and contract was made with F. P. Sawyer for \$6,500. That he was not a bidder.

That bid for \$5,000 was accepted for route 8540, and contract was made with F. P. Sawyer for \$44,225.

That bid for \$2,400 was accepted for route 8550, and that contract was made with F. P. Sawyer for \$16,000, who was not a bidder for the route.



That bid for \$3,300 was accepted for route 8557, and that contract was made with F. P. Sawyer for \$2,000, who was not a bidder.

That the bid of F. Hamilton for \$3,000 for route 8571 was ruled too high, and \$1,200 offered, which was not accepted, and contract was made with F. P. Sawyer for \$3,000, who was not a bidder for the route.

That bid for \$2,300 was accepted for route 8573, and that contract was made with F. P. Sawyer for \$13,000.

That bid for \$1,500 was accepted for route 8775, and contract was made with F. P. Sawyer for \$14,000, which was \$7,000 more than his bid.

That bid for \$600 was accepted for route 8577, and that contract was made with F. P. Sawyer for \$7,500.

That bid for \$1,300 was accepted for route 8590, and contract was made with F. P. Sawyer for \$4,500. He was not a bidder for the route.

That bid for \$1,600 was accepted for route 8603, and contract was made with F. P. Sawyer for \$18,000; that he was not a bidder.

That bid for \$2,300 was accepted for route 8610, and contract was made with F. P. Sawyer for \$7,500.

That bid for \$1,900 was accepted for route 8619, and contract was made with F. P. Sawyer for \$7,000.

That bid for \$1,100 was accepted for route 8630; that contract was made with F. P. Sawyer for \$9,000; that he was not a bidder.

That bid for \$1,000 was accepted for route 8642, and contract was made with F. P. Sawyer for \$10,000; that he was not a bidder.

That bid for \$2,300 was accepted for route 8646, and contract was made with F. P. Sawyer for \$10,000.

That bid for \$4,000 was accepted for route 7506, and contract was made with J. M. Tibbetts for \$12,999, being \$1,499 more than his bid.

That bid for \$5,250 was accepted for route 7507, and contract was made with J. M. Tibbetts for \$7,400, being \$600 more than his bid.

That bid for \$0.01 was accepted for route 7531, and contract was made with D. J. Chidester for \$1,629, being \$500 more than his bid.

That bid for \$895 was accepted for route 7533, and contract was made with J. W. Guernant for \$1,590, being \$551 more than his bid.

That bid for \$2,450 was accepted for route 7585, and contract was made with R. C. Korns for \$7,300; that he was not a bidder.

That bid for \$2,900 was accepted for route 7596, and contract was made with J. H. Lamar for \$29,000; that he was not a bidder.

That bid for \$550 was accepted for route 7601, and contract was made with T. S. Vaile for \$1,040; that he was not a bidder.

That bid for \$1,100 was accepted for route 7602, and contract was made with T. S. Vaile for \$1,560; that he was not a bidder.

That bid for \$900 was accepted for route 7603, and contract was made with T. S. Vaile for \$3,000.

That bid for \$1,495 was accepted for route 7605, and that contract was made with T. S. Vaile for \$5,900, being \$100 more than his bid.

That bid for \$850 was accepted for route 7612, and contract was made with D. J. Chidester for \$3,200, being \$500 more than his bid.

That bid for \$0.01 was accepted for route 7613, and contract was made with D. J. Chidester for \$1,848, being \$448 more than his bid.

That bid for \$980 was accepted for route 7614, and contract was made with D. J. Chidester for \$7,478, being \$204 more than his bid.

That bid for \$1,325 was accepted for route 7621, and contract was made with D. W. Chandler for \$2,400, being \$300 more than his bid.

That bid for \$1,300 was accepted for route 7628, and contract was made with M. M. Grady for \$2,600, being \$400 more than his bid.

That bid for \$2,795 was accepted for route 7637, and contract was made with R. H. Endom for \$3,300, being \$301 more than his bid.

That bid for \$1,900 was accepted for route 8082, and contract was made with A. E. Davis for \$15,000, being \$10,100 more than his bid.

That bid for \$95 was accepted for route 8083, and contract was made with A. E. Davis for \$1,050; that he was not a bidder.

That bid for \$3,900 was accepted for route 8526, and contract was made with I. Bryden for \$10,371, being \$3,771 more than his bid.

That bid for \$7,000 was accepted for route 8006; for \$4,300 for route 8007; for \$2,400 for route 8010; for \$6,500 for route 8013; for \$5,500 for route 8014.

That contracts were made with B. H. Peterson for \$37,500 for route 8006; \$14,000 for route 8007; \$5,000 for route 8010; \$29,000 for route 8013; and \$16,000 for route 8014. That he was not a bidder on either one of these routes and was for amounts much larger than was proposed by owners and commanders of steamboats well known to the Department. Peterson is neither an owner nor commander of any steamboat.

Very respectfully,

WM. H. STONE.

Hon. JNO. B. PACKER,  
Chairman Committee on Post-Offices and Post-Roads.

P. S.—The aggregate of accepted bids is \$108,795.02, and contracts were made for \$653,394; loss to the Government of \$546,598.98.

While unable to satisfy the committee by an investigation conducted in the manner they prescribed, that the officials charged with the duty of conducting the mail-letting of 1871 in the southwest, and having control of all matters pertaining to the service in that section had failed to do their duty, as a business man I saw and heard enough to convince me that there had been and was collusion between those officials and the so-called ring or straw-bid contractors, and I was unwilling to coincide with the committee in their report exonerating those officials from all blame.

That report, with all due deference to the gentlemen who made it, contains some singular statements, and among them is one that I selected route No. 7587, from Fort Gibson to Sherman, Texas, to sustain the charges made.

It is true that this route was the first named in my preamble; and taking it for an example I showed a condition of things which to one certainly who looked at the transaction from a business standpoint seemed at least strange, but that I selected it, the gentlemen who had been furnished by the late Postmaster-General with a carefully prepared statement in relation to route No. 7587, and who with it in their possession, when I appeared before them, for more than an hour insisted that, taking that route and no other, I should make good the charges I had made, will certainly remember that after in vain endeavoring to be permitted to take other routes on which I was prepared, I was, by courtesy, given twenty-four hours to sustain those charges, taking the route they, not I, selected.

I trust the House will bear with me while I lay before them a brief statement in relation to route No. 7587, giving some of the facts which I laid before the committee.

That mail-route I shall never forget, for in addition to being the connecting link between my own State and Texas, the time allowed me by the committee was so short that I was forced to sit up with route No. 7587 the best part of a night. The route was two hundred and five miles long, the mail was carried six times a week, and the contractor was paid \$34,296 per annum for doing the service. When it was advertised for a new contract for four years from July 1, 1871, sixty bids were received, running from \$90,049 to \$900.

Now, under the law, the Postmaster-General was forced to give the award of the contract to the lowest bidder tendering sufficient guarantees for faithful performance. I claimed that the clerk in charge of that service, knowing the importance of the route and that \$34,296 was being paid the contractor, was not doing his duty to award the contract to an unknown man at \$900 a year when contractors well known to be responsible men were bidders at about \$17,000, without first being sure that the nine-hundred-dollar bidder was also responsible; for, under the law, an award to him relieved all the other bidders from legal responsibility to contract and, if he failed, left the Department to make the best terms it could at short notice.

Without making any effort to find out who William Wood, who bid \$900, was, he was awarded the contract, but could never be found to execute it, and the route fell into the hands of the old contractor for six months at \$34,296 per annum, the old rate of pay; and that route, with one hundred and ninety-four others, was again advertised for contracts to commence January 1, 1872.

Among the sixty bidders relieved by awarding the contract to William Wood was the son of the contractor, at \$17,450; but of course he declined to carry the mail when not legally forced to do so, and his father got it at \$34,296, as I have before stated.

Mr. Speaker, if the contract clerk had profited by this experience and been careful to protect the Government in the next letting, I certainly would not have been the one to charge him with collusion with the contractor; but what did he do?

A new law had been passed, under which the one hundred and ninety-five routes were advertised on August 4, 1871; and that there might be some security for the Government in awarding contracts on important and expensive mail-routes, it provided that all bids amounting to \$5,000 or more should be accompanied with a certified check amounting to 5 per cent. of the bid.

When the bids received under the advertisement of August 4, 1871, were opened, there were twenty-three for route No. 7587, ranging from \$32,193—the bid of the old contractor—to that of one J. C. Murdock, at \$2,773; all of which, except that of Murdock, being accompanied with certified checks as an evidence, at least, of good faith on the part of those bidders.

I ask gentlemen to listen while I tell them what this clerk, who had accepted the bid of William Wood at \$900, under the previous letting, did in this case. Without an effort of any kind to learn through any responsible source who Murdock was, he awarded the contract to him at \$2,773 per annum.

Of course Murdock never could be found to execute the contract, and the temporary contract at \$34,296 was continued, and although the route was again advertised the same manipulation was repeated, and the person who had the route in 1869 held it until the railroad was completed on the 3d of May, 1873.

If this clerk had been in the employ of any of you, would you have retained his services or believed in his integrity; and yet, while this was but one of scores of similar cases, the Ex-Postmaster-General and a committee of the Forty-third Congress indorsed his action.

I was prepared on that Monday morning when the Committee on Post-Offices and Post-Roads insisted on route No. 7587, and no other, with more startling cases of what seemed to me like fraud than this one; but as those gentlemen could not see but the officials of the Department had done their duty in this case, it was not in my power to prove to them what Postmaster-General Jewell in the following April did prove in the criminal court of this District, but to which he makes no reference in his annual report, and that was that the clerk whom I claimed had not done his duty in 1871 and 1872, and through whose acts in connection with those of others the Government had been plundered of hundreds of thousands of dollars, had been paid \$2,500 to manipulate contracts in the interest of his employer; but, strange to say, this man with three accomplices in the Department were with their employer in the witness-box to prosecute a contractor who was shown by the evidence at most to be an accomplice after the fact and acquitted.

I do not believe that any one of the gentlemen who signed the report of the Committee on the Post-Office and Post-Roads at the first session of the Forty-third Congress, stating in conclusion that "believing, therefore, that while these combinations for straw bidding have frequently been entered into by outside parties, the alleged abuses and irregularities have not existed and do not exist in the Post-Office Department," as charged in the preamble and resolution referred to them, would be willing in view of the developments made by the Postmaster-General himself in April, 1875, and the exposures being made by the Committee on the Post-Office and Post-Roads of the Forty-fourth Congress, as in 1874, to declare the officers of the Post-Office Department free from all blame for the frauds which have been committed, and which Postmaster-General Jewell states in his report amount to "hundreds of thousands of dollars per annum."

## Resumption of Specie Payments.

SPEECH OF HON. W. S. HAYMOND,  
OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

April 1, 1876,

On the question of the resumption of specie payments.

Mr. HAYMOND. Mr. Speaker, among the great questions demanding the early and serious attention of Congress none is more important than that relating to the solution of our financial troubles. It is one that affects the people and the general interest of the nation more vitally than any other. Without a well-regulated currency, stable in value, trade, business, and commerce will be continually liable to embarrassments. The fluctuating and unsettled value of the paper dollar in relation to coin is an evil that should be remedied as early as possible, and in a way that will not inflict hardships upon the people. But the resumption of specie payments under existing circumstances presents too many difficulties to be carried into successful operation. The act of January 14, 1875, has been in force for more than a year, and we are reaping its fruits in an increase of our financial difficulties, in the suspension of numerous industries, in a higher premium on gold, and in general financial distress through the land. The first remedy demanded is the repeal of the law. No portion of the third section should remain upon the statute-book as a basis for any new-fangled, hocus-pocus plan to bring about resumption of specie payments without specie. Instead of advancing the country toward resumption it has widened the chasm between our so-called irredeemable Treasury notes and the medium they represent. This has occurred, too, in the face of the undeniable fact that under the provisions of this act over \$10,000,000 of our legal-tender notes have been canceled within one year. Before the passage of this act Congress had made no declaration fixing a time for resumption nor provisions for executing it, yet the premium on gold was lower then than now.

From these facts the inquiry might be profitably made, would the premium on gold have been less had the contraction of legal-tenders been \$20,000,000 or even \$50,000,000? The President of the United States in his last message has recommended "that the Secretary of the Treasury be authorized to redeem, say, not to exceed \$2,000,000 monthly of the legal-tender notes," and bills have been introduced in both Houses of Congress advocating a similar policy with the view of hastening resumption; yet with a contraction amounting practically to \$2,000,000 per month, and without the expenditure of a single dollar in gold, we chronicle the result, namely, an increase of about 3 per cent. in the gold premium. During this period our financial troubles have increased instead of being diminished; trade and commerce have been in a more languishing condition than any time since the panic; the industrial and mechanical pursuits of the country have been paralyzed; enterprise and improvements have been suspended or discouraged; and thousands and tens of thousands of people, dreading the legitimate consequences of the policy inaugurated, are trembling on the brink of bankruptcy. While contraction has been going on and our financial troubles thickening, resumption, like the Will-o'-the-wisp, has flitted ahead only to delude, and we are as far from the realization of this hope as we were a year ago. The currency has been contracted and the business of the country restricted, but where stands the premium on gold? With all the facts and causes before the country, what financial philosopher can predict the further contraction in the volume of the legal-tender notes that will be required to appreciate the value of the residue to par with gold? Will it take one-third, one-half, three-fourths, or more?

I am aware that numerous hypotheses have been invented to account for this apparent anomaly, but the most of them are unsatisfactory, and amount to nothing more than begging the question.

The moneyed autocrats of this country clamor for resumption of specie payment. They favor a policy that will inure to their own interest, but do not stop to consider what effect it may have upon the agricultural and laboring population.

We had a panic three years ago that swept over the land like a pestilence, and yet before its shadow has passed over the horizon, and confidence has been restored, the whole country is again precipitated in worse confusion by a species of legislation that attempts hastily and out of season to cramp and crush the business of the country down to a specie basis. The history of the civilized world has clearly taught that contraction of the circulating medium is not the proper remedy for panics and financial convulsions, but that the proper occasions to bring about resumption of specie payments, with an inflated currency, are during times of prosperity. The passage and enforcement of the resumption law is in harmony with the purpose of that grand masterpiece of legislation of March 18, 1869, known as the gold bill, which saddled unjustly, and without cause, enormous burdens upon the people. It was special legislation in favor of capital as against labor and industry; and this resumption law fulfills the same purpose.

Are we to imitate the example of England by reaching resumption through arbitrary legislation? What emergency exists, or great national necessity, requiring that this shall be done against the will of the people and adversely to their interests? Through the enactment

of Peel specie resumption was attained in England, in spite of the protestations of a suffering people, who had but little power to resist; but it remains to be seen whether such a policy can be carried out in republican America, where the people hold all power in their hands. Our people know but little about the devices resorted to by the great banking institution of England to keep on hand a supply of specie to meet the constantly varying demands for it. If they knew that specie resumption and its maintenance would require from time to time, as circumstances and new emergencies occur, restrictions in loans and discounts and sudden changes in the rates of interest, they would scarcely desire that the finances of this nation should be placed upon a basis so rickety and uncertain.

Let us remember, too, that the financial system of this country now in operation is widely different from that of England. She had then as now but one system of finance, one great banking institution, to which the local banks of the realm were as satellites. Resumption of specie payments involved but a single question, and that was one of endurance by the people. But with this country it is otherwise. We have a complex system of currency, consisting of Treasury notes based upon the faith and credit of the nation, and the issues of more than two thousand national banking associations located in all parts of the land. These two forms of currency are so related to each other that the notes of the latter are made redeemable in those of the former. The execution of the resumption act of 1875 clearly involves the question of the existence of the legal-tender currency, and by the hasty redemption of these notes and their cancellation carries an implied danger to the maintenance of the subordinate or national banking system. The political question as to whether the present complex system of two classes of circulating notes shall be maintained, or one of them shall give way to the other, has been intensified by the dissatisfaction engendered in the public mind by the resumption law, and the prevailing sentiment and outspoken declarations in various sections of the Union point to the increasing popularity of the legal-tender system.

The dread of rapid contraction has evidently seized upon the public mind, and has augmented to an unexpected extent the evils that burst upon the country under the panic of 1873.

I know, sir, that it is frequently said that the provisions of the resumption law cannot be carried into effect without additional legislation or granting more extended powers to the Secretary of the Treasury. The powers already granted, I beg to say, are ample, if the ill-advised policy of this act is to be forced into operation against the protests of a patient, but suffering people. The Secretary of the Treasury admits in his last report that the "act" "confers large powers" on him "touching the issue of United States bonds for the purpose of procuring the supply of gold necessary to execute such of its provisions as go into immediate operation, and to provide for the redemption in gold of the United States notes outstanding on and after the 1st of January, 1879." Under the due exercise of such powers as the act confers, the feasibility of resumption (redemption) can scarcely be questioned, unless the gold markets of the world are inadequate to meet our demands, or, as the Secretary has hinted, "opposition from the financial powers of the world should be engendered."

The Secretary, being thus clothed with all needed authority, will offer in the market and send abroad United States bonds to buy the requisite amount of gold, which will be shipped to New York and be exchanged at par for legal-tender notes, thus enabling the money-gamblers of Wall street to make a handsome profit; and as soon as the gold has performed the function of ridding the country of a portion of its circulating medium, the greenbacks, it will be re shipped to the same countries whence it came to pay the interest on these same bonds. By this policy we are not only piling up an enormous indebtedness, "like Pelion upon Ossa," to consume the vitality of the nation and entail perpetual burdens upon the people, making them *hevers of wood and drawers of water* to the moneyed aristocracy of the world, but, worse even than this, it leads to the assumption that the legal-tender currency of this country, the boasted money of the realm, based upon the faith and credit of the nation, is a greater evil than the interest-bearing indebtedness, which we now seek to increase, and which has already attained colossal proportions.

I believe, sir, that no further powers will, or ought to be, granted at this time to enforce an act of such doubtful utility and of such threatening danger to the prosperity of the country.

No enactment in all the financial legislation of this country in its past history became, in so short a time, so unpopular as this resumption law. Whole commonwealths, without reference to party, are rising in opposition to it and demanding that it be immediately repealed. If the voice of the people is not heeded by their representatives there will be a political revolution that will place in power those who will. We should remember the axiom, *Vox populi vox Dei*.

The demand for the repeal of the resumption law does not come alone from the people of the agricultural districts of the West and South. It does not come as a peculiar request from those who are supposed to have taken a "new departure" on the subject of finance. It comes as well from those who oppose as those who advocate national banks. The repeal is urged by bank officers and stockholders who dread the effect the proposed resumption of specie payments will have upon national banks. It is alike advocated by resumptionists and anti-resumptionists, and by myriads of those who cling to the old financial notions of "specie basis" and hard money.



I ask leave to read the following extracts from an able editorial of the Chicago Tribune of February 9. The Tribune is one of the ablest champions of "hard money" and early resumption of specie payments in the West, but it sees but little prospect of reaching this much-desired end in a satisfactory manner through the gloomy and rugged path of contraction which must necessarily result if the provisions of the resumption act are to be carried into full operation.

It says:

In the mean time, the resumption act stands, in its incomplete form, a menace to the country. Already the country has drifted one year without sail, compass, or chart. We are now one year nearer the date fixed for resumption, and nothing has been done in preparation for it. The currency remains depreciated, and every day new contracts are made payable in depreciated paper. As we near the time fixed for resumption the feeling of uncertainty becomes stronger. Confidence is being withdrawn. The banks are beginning to retire their circulation and lock up their legal tenders. Money is abundant and idle, but investments are small. Business men are afraid to borrow. Everybody is growing more nervous and anxious; loans and discounts are for smaller amounts and shorter terms, and the resumption act, unsupported by any aiding legislation, absolutely threatens the business of the country with sudden and sharp contraction, ending in paralysis.

If Congress proposes, as it is now pretty evident Congress does, that there shall be no legislation to carry out the resumption act, and that the country shall be permitted to drift along without any regard to the consequences, then that act becomes an injury to the country, a perpetual threat of confiscation, and of a contraction that will plunge the business of the people into the direst confusion, ending in general bankruptcy and ruin. Under those circumstances, the Chicago Tribune cannot regard the resumption act in its present form otherwise than as a cheat and a fraud, a pretense and a delusion, and therefore ought to be repealed. But if Congress is to adjourn without such legislation, leaving the country exposed to the threat of arbitrary specie resumption, with all the destructive incidents of contraction, both of national and bank currency, then the sooner the resumption act is abolished the better. It is much wiser to leave the country without any promise of resumption than to put on the statute-book a promise of resumption without any provision for executing that promise, save an arbitrary and wholesale contraction of all kinds of currency.

Now, sir, this is very strong language coming from the source it does, but there is not a word untrue or too strongly drawn, as I shall subsequently show. These statements represent the sentiment of a vast majority of the people in the great West and the valley of the Mississippi, and if I mistake not will soon be seconded by the people in all sections of the country.

I admit, with the Tribune, that it is much wiser to repeal the law bodily than to leave it in force as it is, "a menace to the country, a threat of confiscation and contraction, that will produce the direst confusion and end in general bankruptcy and ruin."

I favor the unconditional repeal of the law because I am well satisfied that neither under its provisions, nor with the aid of the proposed supplemental legislation recommended by the President, can resumption take place without entailing upon the people of this country for the next five or ten years the most unnecessary and the most inexcusable amount of hardships and financial suffering.

Why insist upon a forced attempt at early resumption when the people of this nation have just emerged from one of the most gigantic and sanguinary wars in the world's history; when the reconstruction of ravaged and disordered commonwealths is barely completed; when scarcely sufficient time has elapsed to re-create and restore by energy and industry the billions of dollars of wealth and property destroyed by the war, and while a war debt of \$2,500,000,000 remains to be paid? Is this the time to lay on the people additional burdens in the shape of increased taxation? Is this the proper time to contract and retire large volumes of currency, the life-blood of the nation, while its energies are stifled and its industries are paralyzed? I look upon the attempt as being not only unphilosophical, but at variance with the teachings of the dear-bought lessons of history. Let resumption come and it will be welcomed, but let it come not by force legislation and not by the imposition of grievous burdens upon the laborer, the producer, and the tax-payer, but in that spontaneous manner it will come if we attempt not to guide its course by arbitrary legislation. Let us simply turn the bow of our financial vessel toward the harbor of resumption and sail into it when the tide comes, and not attempt, as we are now doing, to stem a roaring torrent whose waves will repel and destroy.

The folly of the resumption act is now clearly apparent, and further folly should not be enacted by any arbitrary scheme for effecting what is difficult to reach and what is not demanded by any commercial or national necessity at this time. All of the methods that propose to accomplish this result by the sale of interest-bearing bonds, the contraction of the currency, or by direct redemption at the Treasury with gold will strew ruin in their track and result in a direct loss to the people not less in amount than the national debt, that they are now struggling to liquidate. However philosophical such plans may appear abstractly considered, however well they may accord with the views of some writers on the science of political economy, they are not the remedies that seem to me at all adapted to meet the emergencies of the occasion, the peculiar circumstances of the country, and the wants of the people.

The gentleman from Pennsylvania, [Mr. KELLEY,] in his speech in this House in reply to the gentleman from Maine, demonstrated conclusively by his tabular statements that the premium on gold has not, as is often erroneously supposed, been in direct ratio to the volume of the currency, but has frequently been in inverse proportion; and this fact I have shown still prevails and will until a change of policy takes place. We may issue declaratory edicts in favor of resumption, fixing the time when it is to take place, and go on funding greenbacks or contracting their volume by redemption at \$2,000,000 per

month for the next five years without disturbing the premium on gold, unless it is to increase it.

An analytical discussion of this question will require the consideration of several factors and their relations to each other. These are, first, the volume of Treasury notes; second, demand for gold; and, third, national and corporate indebtedness abroad. The first to be considered is the volume of the outstanding currency and its relation to the amount of gold held in reserve by the nation at its Treasury or other gold supplies that may be regarded as a redemption fund. We are officially informed that the outstanding legal-tender circulation amounts to \$370,943,392, and the coin balance of gold in the Treasury to about \$13,000,000; hence we have on hand \$28 of legal-tenders to one of gold coin. If we should for a moment assume that this paper currency derived its value from the coin on hand, the paper dollar would be worth only about three and a half cents. Yet what is the fact? Without any dependence upon coin the paper dollar is worth eighty-eight cents, as measured by gold. If every dollar of gold in the Treasury should be disbursed to-morrow and all in the country shipped abroad, it would produce no appreciable effect upon the present value of greenbacks.

If the relation between our paper currency and gold was such that the former derived its value exclusively from the latter and was exchangeable for it on demand, a greenback dollar to-day would be so utterly valueless as to be unfit to perform the functions of a medium of exchange. It would be as worthless as the currency of many of the wild-cat institutions was under the old State-bank system. Our greenbacks are not promises of the Government to pay coin on demand, but are only redeemable at the pleasure of the United States. Their value is not based upon coin, nor upon any early expectation of redemption in coin at the Treasury. If the Government could issue an authoritative declaration that redemption should not take place within the next ten years, our greenbacks would still retain the value they now do and continue to perform the duty they have heretofore done.

To what, then, is their value attributable? We are sometimes told that greenbacks bring what they do because the brokers in New York will pay just so much for them. But why do brokers pay eighty-eight cents per dollar as measured by gold instead of three cents and a half or one cent? This is easily answered. The value of the greenbacks comes from the fact that though they represent coin they are based upon the faith and credit as well as honor of a great and powerful nation whose Government is of the people, by the people, and for the people, and that they are by law, the will of the people, made a legal tender for all dues to the Government except duties on imports and payable for all debts, public and private, except interest on bonds. Thus by the act of sovereignty, the voice of the people of the nation manifested through the constituted forms of the Government, they are declared to be the money of the realm, or a national medium of exchange.

We are sometimes told that greenbacks are not suitable for money because they are not a product of labor, but can be issued in any quantity almost without cost. This doctrine is false so far as it relates to the present greenback circulation which we are now considering. Beyond this it is altogether hypothetical, inasmuch as it assumes, because a certain power exists in the Government, that that power should be grossly abused. The outstanding greenbacks represent more even than the labor of production. They represent the service to the Government rendered by nearly two million soldiers who fought the battles of the Union. They were the wages paid for toilsome marches, for suffering and hardships, for chivalric deeds, for battles, for peril and sickness, and for all the munitions and outfit of a gigantic war. They represent that service for which the faith, credit, and honor of the nation are sacredly pledged. The vast patronage of the Government gives value to the greenbacks. They pay for all services rendered to the Government, except the diplomatic. They pay the President, the legislative and executive officers, the Army and Navy. And if such a currency had been issued, even without any redeemability in coin, and made the medium to perform such functions as the money of the realm, it would always have a value proportioned to the uses it could subserve.

There is no substantial reason to suppose that the present volume of currency is in excess of the wants of trade and business. Though there may be an idle surplus of money in the banks, the cause is undoubtedly due to the stagnation of business and impaired confidence. But I grant, if this Government should issue recklessly and without due regard to economic prudence vast sums of currency, greatly in excess of the wants of business and trade, that depreciation would result. I have reason to believe that neither of the great political parties of this nation will ever assume such risks or responsibility.

The premium on gold does not appear to me to be due so much to depreciation in the value of the greenbacks or want of purchasing power as it does to the extraordinary demand for gold, which keeps up and increases the price of that commodity. If this country is to continue the policy of issuing interest-bearing bonds, the demand for gold will be so great to pay the interest on these obligations that the gold premium will remain at what it is, or increase, notwithstanding any contraction in the volume of the legal-tender notes that it is practicable to make.

The United States is a debtor nation. About \$1,000,000,000 of its interest-bearing bonds are held abroad. The people owe a vast sum of interest-bearing corporate indebtedness abroad, such as municipal



and railroad bonds; and our commercial exchanges with foreign countries are such as require the exportation of a much larger amount of the precious metals than we import. Hence our country is being continually drained of its stock of gold to pay these demands; and while they remain so great as they are, it is useless to make any attempt to equalize the value of greenbacks and gold by contraction of the volume of the currency.

According to the bullion report of the select committee of Parliament in 1810, certain conclusions were reached or corollaries deduced, which since that time have been regarded by bullionists as immutable. According to one of these, "If gold is at a premium in paper, the paper is redundant and depreciated. The premium measures the depreciation." While this doctrine may have applied to England under her system of banking and to her existing circumstances, it would require more faith than most of us possess to suppose that this axiom would answer in our case. If so, a reduction in the volume of our legal-tender notes of \$48,000,000, or 13 per cent., the present premium on gold, would equalize the value of the remaining \$322,000,000 of these notes with coin. If we could believe this it would be folly to oppose the moderate contraction required; but the truth is, circumstances alter cases. The immense outflow of gold from this country at present creates a stubborn exception to the rule.

The Chamber of Commerce of New York City a few weeks ago issued a *pronunciamiento* on finance. In one of their propositions they declared that "a general resumption of specie payment is alike indispensable to the re-instatement of our financial affairs upon a safe and enduring basis, to the restoration of confidence and activity in every branch of industry, and to renewed success in all the pursuits of commerce." But in the same proclamation they insert another proposition, declaring that "it matters little what plan of resumption is adopted or what amount of coin is provided against the date of resumption, unless some provision is made against the outflow of coin to adjust the balance of trade with foreign nations."

Here is precisely the point where the trouble lies. If these gentlemen or any other financial philosophers will present a feasible and satisfactory plan by which this outflow can be stopped, a plan that will not oppress the people, I will venture to say that all important differences between hard and soft money advocates and all sectional difference of opinion will be speedily dissolved into thin smoke. Any plan that will stop the outflow of gold or equalize the outflow with the influx will make plain the road to resumption. I would respectfully suggest that the plan be discovered and put into practical operation before we begin to resume.

If the finances of this country were in a normal condition, its currency at par with gold, and the prices of real estate, labor, merchandise, and all commodities adjusted accordingly, these relations between coin and paper would remain undisturbed only while the demand for gold was reasonable and limited by the measure of the supply; but let this relationship be seriously deranged; let us suppose again that ours is a debtor nation, with all the obligations now resting upon it, then we would find, I think, that the paper dollar would continue to perform all the functions it did before, an undiminished purchasing power, while gold would go up and stay up till the demand for it was diminished.

The currency of the country *per se* has now nothing whatever to do with the hard times complained of. If there had been no legislation whatever on the question after the panic of 1873, confidence would have been much stronger than it is, and with a much better prospect for the restoration of the industries of the country. But we have one class of politicians who attribute all our financial ills to the legal-tender currency. They assure us that nothing but resumption of specie payments will restore confidence and insure prosperity, and that there is but one road to this, namely, the redemption and removal of our so-called irredeemable promises.

Again, there is another class, not perhaps so numerous, who see no pathway to prosperity except by a vast inflation of the same kind of currency. Their policy is one more likely to afford present relief than the other, but is open to the objection that in attempting to remedy present ills it may create others that we know not of. They are supported in their views by the authority of Peter Cooper, who asserts that the true remedy in financial panics is *expansion of credits and capital and not contraction*.

Impressed with the belief that the present volume of currency is not far from the amount required to effect the necessary exchanges among the people, I can neither sanction contraction nor expansion by legislation, but would leave the currency as it is, to be controlled by the laws of trade, till its purchasing power equals gold. When this point is reached, the necessities of the country must determine whether more currency is required or not.

The country needs at this time stability, a general understanding that there shall be no hasty, ill-advised policy to unsettle and derange values. The repeal of the resumption law, coupled with the assurance that the volume of the currency should not be increased or diminished by legislation, would effect what is most needed in this critical juncture.

#### CONTRACTION OF THE CURRENCY.

It seems to be a disputed point whether the panic of 1873 was in any manner due to contraction. It has been asserted that the volume of currency was greater at that period than before or since that time; and it is argued that the unauthorized issue of \$26,000,000 of

reserves during the panic as a remedy was utterly inutile as a measure of relief.

The report of Treasurer Spinner for June 30, 1865, furnishes an authoritative statement of the amount of currency at that time, namely:

Old demand notes.....	\$473,003 50
Legal-tender notes, (new issue).....	431,066,427 00
Compound-interest notes.....	194,121,470 00
One-year notes of 1863.....	8,467,570 00
Two-year notes of 1863.....	7,715,950 00
Two-year coupon-notes of 1863.....	34,441,650 00
Fractional currency, (first issue).....	9,915,408 66
Fractional currency, (second issue).....	12,798,130 60
Fractional currency, (third issue).....	2,319,589 50
Total.....	698,918,800 25

All of the above was issued on the faith and credit of the nation, and was called currency by the Treasurer. Now, if we add to this the national-bank circulation at that time, \$171,000,000, we will have the sum of \$869,918,800.25; all of which was used as currency.

Now, if we turn to the Treasurer's report for November 1, 1873, we will find that there was outstanding of the above tabulated species of currency \$401,527,269.94; add national-bank currency, \$348,456,756.69, and we have a total of \$749,984,026.63.

The total amount of both kinds of currency in 1865 was \$869,918,800.25; the total in 1873 was \$749,984,026.63; making an excess in 1865 over 1873 of \$119,934,773.62.

According to the public-debt statement of February, 1876, the outstanding legal-tender notes, including the remnant of old demand notes and the fractional currency, amounted to \$416,131,976.97. Add national-bank currency, \$346,479,756, which will make the present volume of currency \$762,611,732.97.

The total amount of both kinds of currency in the year 1865 was \$869,918,800.25. Total amount at present, \$762,611,732.97; being a contraction of \$107,307,067.28.

The above statements are made from official reports, and cannot be called into question. They show that, notwithstanding the \$26,000,000 of the reserve fund that was issued during the panic in the species of currency I have enumerated, there has been since 1865, with more than ten years of national development and progress, an actual shrinkage in the currency of more than \$107,000,000.

If we add to the volume of currency in 1865 the 7.30 bonds of 1864 and 1865, which were really three-year Treasury-notes and made a legal tender as well as a legal reserve to be held by the banks, we will have an aggregate of \$1,699,918,800.25, or more than twice the present amount of currency. Again, if we add to this vast sum the 5 per cent. legal-tenders, the 3 per cent. certificates which were made a legal bank reserve, and the temporary loan certificates, the whole amount will reach about \$2,000,000,000, or nearly three times the amount of the present volume of the currency. The fact, too, should be borne in mind that prior to 1865 this currency circulated only to a limited extent in the Southern States in rebellion.

While this vast amount of indebtedness exercised in various degrees the functions of money, but few will deny that it greatly exceeded the amount required for a safe and permanent circulating medium. It was the inflated basis upon which the business of the country was transacted up to 1866. The prices of real estate, personal property, as well as all commodities of necessity, and labor were based upon it. All the industries of the country, public and private enterprises, as well as corporate liabilities at home and abroad, were carried on and contracted upon this extraordinary inflation. It is easy to see how under these circumstances a rapid contraction of the currency would bring about hardships and entail bankruptcy and ruin upon thousands.

It is a falsification of history to say there has been no contraction of the currency. By the act of July 12, 1866, provision was made for a steady contraction of the currency. It provided that not more than \$10,000,000 of United States notes might be retired and canceled within the first six months after its passage and not more than \$4,000,000 thereafter monthly. The policy of this act, however, excited alarm, as it became apparent that it would suddenly unsettle the values of all kinds of property, restrict trade, and embarrass all the enterprises and industries of the country. To undo what had been unwisely done and avert serious consequences, Congress on the 4th day of February, 1868, enacted that there should be no further reduction in the volume of the legal-tender notes. Under the act of July 12, 1866, according to the official statement of the Comptroller of the Currency, more than \$72,000,000 of the legal-tender notes were retired.

For further evidence of the contraction of the currency, I refer to the annual message of President Grant of December 1, 1873. He says:

During the last four years the currency has been contracted directly by the withdrawal of 3 per cent. certificates, compound-interest notes, and 7.30 bonds outstanding on the 4th of March, 1869, all of which took the place of legal-tenders in the bank reserves, to the amount of \$63,000,000.

He says further, with reference to comparative contraction:

The population of the country has largely increased. More than 25,000 miles of railroad have been built, requiring the active use of capital to operate them. Millions of acres of land have been opened to cultivation, requiring capital to move the products. Manufactories have multiplied beyond all precedent in the same period of time, requiring capital weekly for the payment of wages and for the purchase of material; and probably the largest of all comparative contraction arises from the organizing of free labor in the South. Now every laborer there receives his wages, and for want of savings-banks the greater part of such wages is carried in the pocket or hoarded until required for use.

Now, if those statements of the President were true in 1873, and applicable to the existing state of the country, they are equally true and applicable now. If the act of July 12, 1866, was found inexpedient and unwise, how much more so is the present resumption law, which attempts more and has a far more serious purpose? The purpose is not simply contraction to a limited extent to effect an interchangeability with coin, but the retirement and cancellation of the entire legal-tender circulation. What effect this may have upon the national banking system is somewhat problematical. I apprehend, however, that it will operate seriously upon many of these institutions, excite alarm among bankers, and cause a rapid and wholesale contraction of their circulation. If these fears should be realized, there will be but one step to the destruction of our national monetary system. What would follow when this happens, and when the country is again at sea and in quest of some new financial method, is almost beyond the field of conjecture.

Our system of currency is one of the boasted results of the war, and, I believe, will stand the crucial test of experience and be sustained by the people. We have the statement of the President of the United States in the message quoted from, "that the currency of the country, based as it is upon the credit of the country, is the best that has ever been devised." In all the panics that have hitherto occurred when the currency was based upon coin immense losses were sustained by the people but in the recent panic the value of the currency was increased, and public confidence in it remained as unshaken as it did in the durability of the Government. Thus experience has demonstrated the soundness of the principle upon which our financial system is founded, and it is the province of wise legislation not to destroy or impair its efficiency, but to sustain, improve, and perfect it. I give it as my opinion that the people of this country will not permit the retirement and cancellation of the legal-tender notes now in circulation.

The title of the act of January 14, 1875, is clearly a misnomer, for there is a practical and well-defined distinction between resumption and redemption. Resumption in banking operations implies in its usual sense, after suspension of specie payments has taken place, an interconvertibility between paper money and coin as a continuous process, while redemption, which is clearly meant by this so-called resumption act, implies that when coin is paid for a promissory note of the Government its function as money has ceased and re-issue of the note is not intended. This is certainly the only legitimate interpretation, and is the one given by the Secretary of the Treasury in his recent report. In this report he says:

*The faith of the Government now stands pledged to resumption on and after January 1, 1879, and to the final redemption and removal from the currency of the country of the legal-tender notes as fast as they shall be presented for redemption, according to the provisions of the act of January 14, 1875.*

Who can doubt that the resumption meant is redemption, and redemption a finality to all notes for which coin will be paid? The language of the act is too clear to allow a different interpretation; it says:

*On and after the 1st day of January, A. D. 1879, the Secretary shall redeem in coin the United States notes then outstanding on their presentation for redemption at the office of the assistant treasurer of the United States at New York in sums of not less than \$50.*

The obligation resting upon the Secretary is imperative. He shall redeem in coin; but no authority is conferred for re-issuing the legal-tender notes. Their fate, if this act is carried into operation, must be the same as that of the \$10,000,000 redeemed under the free-banking clause of this act, which we have been officially informed were duly canceled. Redemption must mean precisely the same in both cases.

While I do not arraign the purpose of redemption implied in this act as being inconsistent with the intentions of the acts authorizing the issue of the legal-tender notes, yet I would inquire if it is expedient and necessary that this currency should be wholly retired from circulation? Is such policy demanded by the people as a measure of relief to the disordered industries of the country? It may be by capitalists and moneyed autocrats, by money-lenders and usurers, who expect to profit by the enhancement of the value of their money, but against the purpose of this policy will be arrayed the laboring and agricultural population of the country. The toiling millions who are now studying and investigating this subject for themselves, and who are devoting to it a greater amount of thought and intelligent consideration than was ever before evinced by any people on any subject, are not quite ready to join in this crusade against the legal-tenders.

#### FREE BANKING.

Some of the advocates of free banking have entertained fears that the repeal of the resumption law would put a stop to the further organization of national banks. This is, however, an error. The only bar to free banking which existed prior to the passage of the resumption law was section 5777 of the Revised Statutes, which limited the circulating notes of national banks to \$354,000,000. The third section of the resumption act repealed this restriction, and hence the repeal of the same section of the resumption law will leave banking free from restriction as to the aggregate amount of circulation. In this way, as long as our national-bank act remains in force, the volume of the currency can be kept equal to the "wants of trade." If the volume is insufficient, expansion will occur; if it become redundant, contraction will necessarily take place. Bearing upon this subject, I see no

good reason why the banks should not be allowed to issue circulating notes equal in nominal amount to the face of these bonds.

But it may be unwise to intrust the banks with supreme control over all the moneyed interests of the nation. Serious objections are now raised against the power exercised by the banks, and how much more serious must this become when the legal-tender circulation is wholly retired. This would drive out of existence all except a few of the stronger banks, which would become a monopoly. Compelled to meet the storm of financial convulsions and forced to keep on hand a sufficient supply of coin, the great majority of the banks would be continually invested with dangers that might at any moment involve them in ruin. What better security can they have than the legal-tender notes in which their circulation is redeemable? And what better security can the country have against violent contraction or financial disturbances than the legal-tenders, which rest upon a basis as strong as the Government itself?

With a sole reliance upon specie the banks would be compelled to contract their circulation within the narrowest limits or surrender it entirely. But with \$370,000,000 of Treasury notes as a permanent currency and a lawful medium of redemption, no serious calamity would be likely to happen the banks, and they could be trusted to supply the country with such additional paper money as its necessities might require.

The experience of the last year or two has clearly shown that the danger of overinflation by the banks is not well founded, and that while they exist, they may be trusted to issue such an amount of circulation as the laws of business and trade may demand. One of the leading objections against the national banks is the unlimited power at their disposal to inflate or contract their circulation; and the only safe check to violent contraction of their currency or serious disturbances that may impair their efficiency and embarrass the business of the country is the outstanding volume of the legal-tenders.

Since the resumption law went into operation about \$12,715,795 of bank notes have been issued to old and new banking associations; and during the same period about \$33,000,000 of national-bank currency has been retired from circulation, or about \$20,000,000 more than issued. Add to this the \$10,000,000 of Treasury notes canceled under the operations of the 80 per cent. clause of the act, and we chronicle a total shrinkage of the volume of the currency in one year of over \$30,000,000, and still the premium on gold has evinced no downward tendency.

I know that it is maintained by some that this rapid retirement of national-bank currency is an evidence that there is a redundancy of paper money in the country, and hence they argue the necessity of redeeming the greenbacks in order to cure the evil. Coupled with this fact we are reminded that there is a vast sum of idle currency held by the issuers—the banks and the Treasury—amounting to about \$180,000,000, a large portion of which, belonging to the banks, is now seeking borrowers at very low rates of interest. While admitting that such is the fact, we can scarcely accept the logic that so much money remains idle because there is too much of it. A few years ago a much larger amount than we have now was actively employed in carrying on the trade and business of the country; and it is safe to assume that, with the revival of our varied industries and the complete restoration of confidence, this idle surplus would soon be absorbed by the public wants and exercise new functions in the work of progress and civilization. The contraction of the currency by millions of dollars monthly will not lessen the amount of unemployed surplus, because no capital will be risked outside of the narrow limits of common necessity. No person will risk money in new undertakings and enterprises when values are constantly depreciating. No person of prudence will contract obligations requiring payment when property is continually shrinking in value while money grows scarcer and more costly. Interest may be unusually low in the commercial centers of the country, but it is because borrowers are not readily found who are willing to commit financial suicide.

Senator SHERMAN, the father and defender of the resumption act, in his late speech in the Senate says:

*The practice of hoarding currency has greatly increased from the day of the panic, and it may be safely said that there is among the people and in savings-banks and trust companies not less than \$200,000,000 of currency idle. Nothing but the best security will tempt it from its hiding-place; but, that security offered, it can be had for a less rate of interest than ever before.*

He tells us very coolly that this state of paralysis in the business of the country, this hoarding of idle and unproductive money, is only awaiting the advent of resumption, after which time he predicts money will become more abundant. But what is to become of the people and the country during the next five or ten years while resumption is approaching? According to his theory nearly half of the currency of the country is to remain hoarded and useless till resumption is practically accomplished. He says again in his speech that—

*There has been a contraction of the currency since the panic, and before and after the passage of the act of 1875, which will go on whenever in any way specie standard approaches, and that is by the voluntary retirement by national banks of a portion of their circulating notes.*

And he further states:

*Sir, in my judgment, the real solution of specie resumption will thus come through the voluntary act of national banks, each acting for itself, under the general direction of the law, precisely as the Bank of England, the Bank of France, and the New York banks brought about and maintained resumption.*



The road to resumption is now plainly marked out. First, the legal tenders are to be "redeemed and removed from the currency of the country;" and, secondly, the national banks are to be forced to the inevitable necessity of retiring their currency by wholesale, each of the twenty-one hundred banks being required to reduce its circulation to correspond with the amount of gold it may be able to hoard up for the redemption of its notes. Already many of the banks are becoming alarmed and are threatening the voluntary retirement of their circulation, and if it becomes clearly understood that the resumptive feature of this act is to remain unrepealed, contraction will proceed at a rate more rapid than the most sanguine resumptionist has yet contemplated. But while this is going on we should not be deluded with the idea that these twenty-one hundred banks will ever reach specie payments by dividing the responsibility among themselves, but they may surrender their circulation and cease to be banks of issue. This is not a pleasant picture to contemplate. It indicates that resumption must be reached over a hard, long, and rugged road, which will be strewn with the wrecks of fortune, and along which every mile-stone is a measure of misery and hardship.

## ANOTHER PROPOSITION.

While the liquidation of the legal-tender notes is going on, it is proposed that the national banks shall prepare for resumption by laying up for an indefinite time, five or ten years, the coin interest on their bonds. This they will not be likely to do, neither can they be forced to do it. The interest on their bonds constitutes a large portion of their profits, and goes to the stockholders as a part of the dividends. The suspension of so much capital locked up for years is a loss of profits and operates as a tax upon the banks. They paid the Government last year \$7,300,000 of tax, and besides are heavily taxed by States, counties, municipalities, and the redemption agency. The annual amount of dividends, according to the report of the Comptroller of the Currency, is less than 10 per cent. on capital and 8 per cent. upon capital and surplus. Under this compulsory requirement national banking would cease to be profitable, and, the banks being voluntary associations, they would withdraw their bonds and retire their circulation. No national bank can be compelled to have a larger circulation than \$45,000, and may even lock this up in its vaults. The 30 per cent. of coin required to be kept on hand would not exceed \$15,000. The result of the liquidation of the greenbacks and forcing the banks to specie payments would eliminate from the circulation of the country over \$300,000,000 of national-bank notes. The practical result of this policy would be the withdrawal from circulation of about \$700,000,000 of national-bank notes and legal-tenders, leaving the country without a circulating medium and the people with a national and corporate indebtedness to pay of more than \$4,000,000,000, which was contracted upon a stupendous inflation of currency. The effect of this policy, if carried out to the letter, can be more easily imagined than described.

But, it may be argued, why not make it obligatory upon the banks at the same time it is upon the Government to hoard annually 3 per cent. of the gold interest upon their bonds as a preparation for resumption, and thus release for circulation an equal amount of their lawful reserve? To this it may be answered: First, that this would put no more money into circulation than under the present arrangement, because the interest on the bonds held by the banks is annually drawn and released; second, before this preparation for resumption could be matured a majority of the bank charters would have expired and their business be wound up: this the banks would have to do in the manner now provided by law; and, third, while the 30 per cent. of gold which the banks would be required to accumulate in ten years might make a beginning toward resumption, it would give no assurance whatever that the banks would be able to maintain resumption with their present outstanding circulation and under the liabilities they are submitted to. And when we add to what has been stated the uncertainty that hangs over the future with reference to the banking system, the instability of the gold supply, the periodical disturbances in the gold markets of the world, and the vast demand for gold abroad, to pay our interest and commercial obligations, the policy of requiring the banks to hoard gold I fear will not do otherwise than work serious injury to the vital interests of the people.

While it cannot be denied that our Treasury notes are a part of the national debt and that they originated in the emergencies of war, as a national necessity, yet for fourteen years they have performed admirably the functions and office of a safe and satisfactory medium of exchange. They rose and fell in value according to the success and failure of battles. At the close of the war they rapidly appreciated in value, and only a small chasm now marks the difference between their value and gold. This chasm, with or without any contraction of the legal-tender notes, never will become any wider than it now is, unless the financial legislation of this country is characterized by a lack of wisdom and statesmanship unworthy of the age in which we live.

Though the legal-tender circulation was born amid the emergencies of a gigantic war that sorely tried the power and energies of the nation to supply the necessary subsistence and means to maintain its armies, yet fourteen years of trial has abundantly demonstrated its popularity, its vitality, and efficiency as a safe and sound currency. Based upon the faith and credit of the nation and backed by the

will of the people, there is no substantial reason why this form of money should be supplanted by the present or any other banking system.

Some of those who are anxious to have the greenbacks redeemed and eliminated from the currency of the country still insist upon invidious comparisons between them and the French assignats and the Continental currency. In only one or two respects is the comparison legitimate. In all other respects it fails, because the circumstances that give value to and sustain our present currency are widely different from those pertaining to the French assignats and the Continental money. There is a similarity in the fact that the French assignats, Continental scrip, and our greenbacks were issued in the emergencies of war and revolutions, and that they performed similar functions in enabling each nation to gather its energies and hurl defiance at its enemies. Beyond this all comparison ceases. The assignats were issued as the paper currency of the French revolution and made redeemable by the sale of confiscated estates of clergymen and emigrants. The amount issued altogether was 45,578,000,000 francs, a sum nearly equal to \$9,000,000,000, or almost twenty-five times as great as our greenback circulation. France then had a population estimated at about twenty-six millions and a half, or a little more than half of the present population of the United States. The circulation of her irredeemable paper amounted to \$340 *per capita*. Our present greenback circulation is only about \$8 *per capita*. Under the throes of revolution France severed her monarchical relations and became nominally a republic. The new republic was born in an hour and based upon the most extravagant ideas of freedom, and the people were a frantic multitude incapable of self-government.

These are the circumstances under which the French assignats were issued. How shadowy and flimsy the basis upon which they rested compared with the solid and enduring foundation that supports our greenbacks! The resources of France, too, at that time were limited compared with this country. If we turn to the colonies we will find that the comparison is but little better. Their population was about 3,000,000 when the Continental scrip was at a ruinous discount. The issues of this money amounted to not less than \$300,000,000, or about \$100 *per capita*. The colonial government was a loose confederation of States with limited resources—insignificant compared with our present national wealth—and the people were in a state of war, struggling for liberty against the most powerful adversary in the world. The colonies had no fleets or navies, no commerce with foreign states, and had not even the power of taxation to raise revenues. Under these circumstances they had a paper circulation of \$300,000,000, or about twelve and a half times as much *per capita* as this Government has now of greenbacks.

While these facts clearly show the unsubstantial basis upon which the assignats and continental currency rested and the reasons for their failure and repudiation, the comparison with our present currency and its basis presents such a contrast as dissipates in a moment all fears of a similar calamity, and re-assures us that our greenbacks rest upon the safest foundation in the world. They conducted the country safely through the war, and have passed triumphantly through the critical period of re-action, the panic of 1873. We may now, I think, safely consider that no catastrophe short of national dismemberment can seriously derange their value while the amount in circulation is no greater *per capita* than at present.

After giving the subject as much consideration as my time and circumstances have permitted, and having examined the various plans that have been proposed to remedy our financial troubles, I have come to the conclusion, first, that no public necessity exists for the redemption of the legal-tender notes; secondly, that their redemption is not a measure that will afford any sort of financial relief; and, thirdly, so long as they perform so well and satisfactorily the functions of money, they should not be retired from circulation, unless it becomes evident in the future that a better system of currency can be devised to supplant it.

In order to enhance the value of the greenback the Government should place it upon the same footing as gold for all domestic purposes, not including interest on bonds made by law payable in gold. If through timidity or doubt it is deemed unadvisable to do this at once, let Congress enact that one-third or one-half of the duties on imports be paid in legal-tenders on and after the 1st of July next, and in a year or two the entire amount. It is better to take some risk in this direction than to shrink from any action tending to equalize the purchasing power of paper and coin.

I repudiate the idea, sir, that this great nation, with only \$370,000,000 of legal-tender notes, is incapable of accomplishing such a result. It would be a sad commentary upon our boasted progress if this nation of 45,000,000 of people, active, enterprising, and industrious, with developed wealth estimated at \$30,000,000,000 and undeveloped resources that are incalculable, with mines and placers of the precious metals that exceed by far "the wealth of Ormus or of Ind," cannot make the value of its present limited amount of outstanding legal-tenders equal to par with gold. Why, sir, I am informed that we have gold and silver enough in Nevada, within the radius of a few miles, to redeem all our paper currency, legal-tenders and bank-notes. While nature has lavishly bestowed upon this country advantages and resources essential to the highest attainments of physical greatness and the grandest achievements of civilization, she has also made it the chief depository of the precious metals for the world; but our



policy has become such that we produce them for the use of other nations, and not for our own domestic purposes. While experience has taught us the absurdity of trusting too much to gold and silver, yet we should never permit our commercial and debtor relations to foreign powers to be such as will drain our resources of these metals.

While I hold it is practicable to bring in the course of a few years our paper currency to par with gold without contraction, yet it must be a long time before it can be made convertible with gold, for the reason that a sufficient amount of gold for this purpose cannot be accumulated and maintained. Continuous resumption of specie payments upon our present volume of currency is absolutely impossible. It is questionable whether it could be sustained on a circulation of over \$300,000,000. To contract the currency down to this point would work insufferable hardships. It would squeeze the entire business of the country down to the small handful of gold we are able under present circumstances to retain in it. The only feasible plan is to attempt to equalize the value of the coin and currency by methods that do not necessarily imply convertibility. I shall attempt to show that this is practicable, and if accomplished would give the country a more stable system of finance than we have hitherto enjoyed.

Resumption of specie payments cannot be maintained with the present enormous indebtedness of the country and foreign exportations of coin to pay interest. Our national interest-bearing debt now amounts to about \$1,700,000,000, and the gold interest paid abroad annually is about \$60,000,000, only a few millions of dollars less than the largest annual product of our mines; yet it is proposed by some to convert nearly \$400,000,000 of non-interest-bearing debt into interest-bearing bonds, which would increase the annual amount of gold interest about \$20,000,000 more. The legal-tenders being removed, the banks would be forced to the necessity of procuring gold to resume with and maintain resumption, or, in other words, of borrowing perhaps \$300,000,000 more.

The plan of hoarding gold in the Treasury until it amounts to 30 per cent. of the outstanding legal-tender notes, with the view of resumption, is a scheme that must fail till the demands for gold abroad have been materially diminished. We pay abroad annually \$60,000,000 on United States bonds, \$35,000,000 interest on railroad and other corporate securities, and about \$75,000,000 for the sinking fund and on other bonds; add to this other demands for gold to go abroad, and the whole amount will not be less than \$200,000,000. The Treasury would become the great gold-room of the country, taking the place of the gold-boards of New York and California, whither all would resort who wanted gold. Merchants, importers, bankers, traders, speculators, and travelers would draw their supplies of gold from the Treasury. The 30 per cent. would be swept away by an equal amount of Treasury notes which if re-issued would leave resumption still as problematical and as uncertain as it now is.

The plan adopted by the Bank of France of hoarding gold and paying out none is the only feasible way of preparing for resumption with coin. This is, I presume, the idea embraced in the first section of the bill introduced in this House by Mr. PAYNE. The gold will be hoarded and maintained for an indefinite time, till the amount becomes so large and the demand abroad for gold so small that the Treasury can be replenished by gold as rapidly as it will be withdrawn. If assurance could be given that this would fully accomplish the purpose intended, of bringing the legal-tender notes to par, no serious objection could be opposed to it. We would have, like the Bank of France, a mountain of gold lying behind the legal-tender notes to impart to them a coin value. In this case the paper currency would form a most perfect medium of exchange, superior to gold and silver for all purposes. If the paper could be thus kept at a par value it would make but little difference whether or not it was ever made convertible into gold. One objection would be urged against this plan and that is the loss of interest on the coin; but the expected enhancement in the value of the legal-tender notes would compensate for this to some extent. Some inconvenience and loss could be patiently borne if it rested upon the assurance that such means would equalize the value of the paper and coin dollar and make them interconvertible at the pleasure of the holder. But France has not relied solely upon the hoarding of gold, but has wisely made her paper currency a legal-tender for all purposes. It pays duties on imports as well as taxes, debts, &c., and circulates on equality with coin.

But I apprehend there will be difficulty in sustaining this hoarding process a sufficient time to bring about the desired results and to maintain resumption on so large a circulation. It is safe to assume that convertibility can never take place between coin and paper so long as the outflow of gold remains unchecked. The shortest step to resumption is any policy that will arrest the foreign demand for gold and equalize the exports and importations of this commodity. A wiser plan would be to use all surplus funds in the payment of the principal of our interest-bearing debt, and by national economy and retrenchment. If our legal-tender notes could, by these or other means, be brought to par, they would constitute by far a safer and better currency than any bank-paper based upon specie.

The history of the world for two hundred years is a record of endless failures in the attempt to regulate the equality between the paper and coin dollar through the agency of banks. Panics have been common and periodical occurrences. During these financial convulsions, the losses, direct and indirect, have been several times greater in amount than all the specie in the world. The Comptroller of the Currency

in his last report states that this loss under the old banking systems in this country, when specie was at the bottom of all credits, amounted in twenty years to the whole amount of banking circulation, or about 5 per cent. per annum.

Hon. R. M. T. Hunter, of Virginia, in a recent discussion on the financial question, has presented this matter in a true light. He says:

Surely the world has suffered long enough under these evils. Are we bound to repeat them? Are there no other means by which the legal dollar and the dollar of exchange may be made to vibrate more nearly together? Is the interest or capital and the quantity of currency afloat to be measured by some crocheted in the brain of a bank director, or by the natural laws of trade and the exigencies of society? Surely these things ought to be regulated by the last, if possible. The whole circle of human production and the fortunes of society ought not to be dependent on the question of more or less specie afloat in the world.

If we go in debt on a credit standard of value and pay on a specie standard, we pay more than we have received, which is not only a violation of justice, but an obstacle to progress, but if we measure our debts by a paper dollar from any convertibility in specie and pay with dollars of specie, we certainly do pay in a medium more valuable than that which we give to the promise to pay of the latter, that is to say, of the payment on the thing itself. We take promise of the bank to pay specie at par, and we can offer nothing in redemption of our promise but specie itself. If we receive by a credit measure of value, why not pay in the same medium? In a well-governed country the credit of the state is the highest known form. The credit of the government of Great Britain or the United States is worth more than the promise of any bank to pay specie.

These views, so succinctly stated, embody not only incontrovertible facts but also have direct reference to the condition of this country. Our nation is a debtor both at home and abroad, and these debts were contracted on a paper medium, depreciated in value; and we, the people, are now asked to pay them with another medium of greater value.

I quote further from the same excellent address:

The people would be unable to pay their debts, not because they were without the agencies of production, natural and artificial, necessary for the creation of wealth, or to return in value all they ever received, but because they were demanded to pay on a standard of money of perhaps five or six times the value of that according to which they received. War has necessarily destroyed many of the values which once constituted their means of support. Is not this grievance enough, or is it to be aggravated by suffering still more intense, imposed by Government in time of peace as a necessary consequence? To whom is this debt due? In almost every community the creditors, as a class, saw less of the actual suffering of war than the debtor, and therefore are not entitled to special indulgence or peculiar privilege. In the nation at large these debts are mainly due to the northern cities, Boston, New York, Philadelphia, Baltimore, and were contracted on a paper standard far more inflated than the standard even as at present constituted.

It is true, as here stated, that a vast amount of this indebtedness is due these moneyed centers; and this may explain why the capitalists who control them are so deeply interested in the hasty resumption of specie payments. We have been told that interest is low in New York and other eastern cities, but it is now and has been otherwise in the West. Why is it, sir, that in order to obtain money a vast number of the land-owners in the West have been compelled to mortgage their farms to insurance companies at an average rate of 10 per cent. interest, besides additional costs? What proportion of these will ever be able to redeem their lands under the shrinkage of values and the disturbance and loss in business that must be inevitable if the resumption law is not repealed? The lands have diminished in value, with a shrinkage already of 20 to 50 per cent., and if submitted to a forced sale would be totally consumed by judgment and costs. No worse policy can be adopted or greater crime ever be committed by any government than by legislation which discriminates in favor of the moneyed aristocracy as against its laboring and agricultural population.

Hon. R. M. T. Hunter, who formerly belonged to the Andrew Jackson and Benton school of politics, which recognized nothing but hard money, recommends the following plan to raise the value of the legal-tender notes, namely:

The legal-tender notes I would make interchangeable with a Government stock bearing a rate of interest which would make it equal to par in specie. The national bank notes I would gradually call in and cancel, and supply their place with legal-tenders, so that the amount of currency, \$750,000,000, should continue to be afloat. To call in the bank-notes, I would provide that one-half of the customs-dues should be payable either in legal-tenders or bank-notes; the bank-notes taken to be converted into United States stocks now deposited to redeem it at their market value.

To the extent that these bank-notes were called in and canceled, I would allow the Government to issue legal-tenders, interconvertible, as before described, with a United States stock bearing sufficient interest to raise it to par in specie, receivable as heretofore on public dues and for one-half the customs duties. That this entire amount is not too great for currency in the United States has been proved, I think, by actual experience, and if occasion for more should ever come, we may safely leave it to that future day to decide for itself.

But it may be said the legal-tenders in time of peace, and without some manifest necessity, cannot be issued without a violation of the Constitution. If so, the good which might be effected by such a power through the currency would justify an amendment to the Constitution. This might be accomplished by giving Congress either a power to issue an unlimited amount of legal-tender notes, or a power in proportion to the population of the country at the last census before the issue. But should this be deemed inadmissible, the bank-notes might be canceled and an equivalent amount of United States bonds deposited to secure them could be redeemed, and an equal amount of notes re-issued; the said notes to be interconvertible with United States stock at a rate of interest payable in specie, which would make that stock at par with specie. The whole currency of the country would then be at par with specie, and its amount would be regulated, not by human hopes and fears or a mere arbitrary discretion, but by the actual wants of trade. If we attain this, what more do we desire?

These views, so well expressed, do not differ essentially from the opinions of many others, and are gaining ground rapidly in this country. They have met with opposition and ridicule from those wedded to the fossilized notions on finance, and who are unwilling to believe there is anything new under the sun.

Senator SHERMAN, in his recent speech in the Senate, seems to hold to similar views with those expressed by Hon. R. M. T. Hunter. He says:

I am one of those who believe that a United States note issued directly by the Government, and convertible on demand into gold coin or a Government bond equal in value to gold, is the best currency we can adopt: that it is to be the currency of the future not only in the United States but in Great Britain as well; and that such a currency might properly continue to be a legal tender, except when coin is specifically stipulated for.

But while he admits all this, which meets the views of the most radical advocate of greenbacks, by some strange inconsistency he recommends the policy of selling bonds for gold to take up the greenbacks and thus remove them from the currency of the country. His prediction that the greenback will be the future currency of the country is well grounded, if we can judge of the wonderful popularity that doctrine is attaining in the West and South and the progress it is now making in the East.

The question of resumption should be considered in reference to our two classes of national indebtedness. One class is the interest-bearing obligations of the Government, chiefly gold bonds, a greater part of which is held abroad; the other, the non-interest indebtedness represented by our legal-tender currency. The practical question is, which shall be paid first? Here we have before us two distinct lines of policy. We must either pay off the interest-bearing debt or increase it about \$400,000,000 by paying off the non-interest debt. We are clearly unable to pay both at once. One debt is held abroad, and the interest on it has become a grievous burden to the people; the other is the domestic debt, which costs no interest. There is only one rational course to pursue, and that is to dispose of the bonded debt first and let the other, represented by the legal-tenders, remain with the people.

If the people, while paying off a debt which by its interest is eating out the vitality of the nation, choose to hold in abeyance a debt that costs nothing, who is cheated or defrauded? Who is dishonored? Have we not heard enough about the Government dishonoring its promises by refusing to pay them? Are not the people and the Government the same? Are they not responsible for all obligations created by the Government? If the people take the wiser course of reducing first the principal of the bonded debt, on which they have already paid in interest over \$1,000,000,000, who is dishonored thereby? It is now apparent that this generation cannot permit this heavy interest-bearing debt to remain unpaid. It cannot certainly indulge further in the suicidal policy of creating similar obligations.

The question of interest lies at the foundation of all our financial troubles, and we must strike at the root of the evil. Let us solemnly declare that not another United States bond shall ever be sold abroad. Let us cease troubling ourselves about the greenbacks. They will take care of themselves, or the people will, if we cease all this unnatural and ill-begotten concern about them. Let us be more concerned for ourselves, by taking the earliest steps and surest means of lessening the enormous interest that is crippling our prosperity. This is the only way in which resumption of specie payments will ever be obtained. How soon or how late this will happen is a question that need not disturb us, because its solution will depend on contingencies that cannot be foretold.

The redemption of the legal-tenders should be made entirely subordinate to the great debt that overshadows the nation, and is the bane that is sapping its energies and prostrating its industries.

Under present circumstances it is not possible for this Government to have a better currency than the legal-tenders. As they are not payable at any fixed time, and as the Government is wholly unable without oppression to the people to take care of both classes of indebtedness at once, there is no sound reason why they should not be the money of the country for an indefinite time, if not forever. A strong conviction is gradually forming in the minds of the best thinkers in favor of the legal-tender system, as constituting the only safe and philosophical mode for a true paper currency. The time is rapidly approaching when it will become the great issue in American politics.

The amount of our paper currency in circulation at this time exceeds \$760,000,000, and, on the assumption that the population of the country is about 45,000,000, will give about \$17 per capita. This is a much larger amount, according to population, than was in circulation prior to the late war. There are some who think that the volume should be increased to a greater sum per capita, but I think there are substantial reasons why it should not be increased. This grows out of the practice now becoming universal in all great commercial countries; of transacting nearly all business involving considerable amounts in bank-checks, certificates, and bills of exchange.

According to the statement of the manager of the New York Clearing-House Association for October, 1875, the ratio of currency required to pay daily balances amounted to less than 5 per cent. of the total transactions. It is safe to say in all the commercial cities of the Union that not more than 6 or 8 per cent. of the sum-total of business is effected with currency. In the rural districts and sparsely-settled sections of the country the proportion of currency required is much larger. This fact is clearly exemplified at the redemption agency by simple inspection of the notes returned, which shows that those from the large cities of the East are much less worn and defaced than those from the western banks.

Without attempting to speculate upon financial issues that belong to the future, I submit the following as the most rational and practicable mode for the solution of our monetary problem and the best means by which resumption of specie payments may be attained:

1. Repeal of the third section of the resumption law of January 14, 1875.
2. That all surplus funds coming into the Treasury should be applied to the steady reduction of the principal of the interest-bearing national debt as it becomes due.
3. That the non-interest debt should remain in abeyance, its redemption being held subordinate to the liquidation of the interest obligations.
4. That the further issue and sale of United States bonds shall be prohibited, and no bonded liabilities be hereafter assumed by the Government.
5. That the expenditures of the Government shall be limited to the actual necessities of the public service.
6. That there shall be no contraction or expansion of the currency by legislation.
7. That the Treasury notes or greenbacks should be made a full legal tender in payment of all dues to the Government and made interchangeable with a Government stock bearing sufficient interest to make them of par value with gold.

The resumption of specie payments, without imposing direful calamity, can only be made practicable and be maintained by a material reduction of our national interest-bearing debt, and such other measures as will diminish the foreign demand for gold, or by some change in our commercial relations with foreign countries that will enable us to pay a large portion of our debt abroad by exports of the products of our industry and by the influx of gold to our shores equal to or greater than the amount sent away. Resumption then may be promoted by restoration of confidence, by such means as will revive the various industries of the country, and by retrenchment and economy in all public expenses. Adam Smith asserts that—

The quantity of money in every country naturally increases as the value of the annual produce increases. The value of the consumable goods annually circulated within the society being greater will require a greater quantity of money to circulate them.

If this proposition is true its converse must likewise be true, namely: If from any cause the quantity of money in the country is moderately in excess of the uses required of it, that increased production of the country in all its industrial pursuits would sooner or later create a demand for all the money.

In urging the repeal of the resumption act and in the general discussion of the question, I have not sought to introduce any new or speculative notions concerning money. I have not sought to demonetize gold, but to recommend a policy that will advance our paper money to par value with coin, which it represents. I have not gone outside of the law or the Constitution. The statutes of the United States define what a dollar is, namely, 25.8 grains of gold, nine-tenths fine, and that each of our paper dollars is a promise of the Government to pay a dollar; that is the lawful dollar of the country. But while the Government is not able to pay coin for its paper currency, and thus redeem its promises, it should do the next best thing possible, and that is to make its paper dollar equal in value or purchasing power with coin. This is the first and most important step that can be taken in preparation for the general resumption of specie payments. The Supreme Court has forever set at rest the question relating to the nature of our paper currency by declaring "that the dollar note is an agreement to pay a dollar, and the dollar intended is the coin dollar of the United States, a certain quantity in weight and fineness of gold and silver authenticated as such by the stamp of the Government."

I oppose the opinion of those who promulgate the doctrine that the stamp of the Government on any substance of intrinsic value, as gold or silver, confers upon it a new and different value. The clear and explicit declaration of Blackstone cannot be improved. He says:

The coinage of money is the act of sovereign power that its value may be known on inspection. Every nation fixes on its own impression, that the weight and standard wherein consists the intrinsic value may be known.

He further states that—

The King's prerogative seemeth not to extend to the debasing or enhancing the value of the coin below or above the sterling value.

While gold, like all other commodities, is subject to fluctuations in value, yet it is our constitutional measure of value, and there is no good reason why we should abandon it in quest of something better. The discovery of the gold mines of South America in the sixteenth century caused a depreciation of the value of gold to one-third of what it had previously been; and the discovery of the gold mines of California likewise caused a similar decline. Yet gold is the common currency of the world, and is used to effect exchanges between nations. Our paper money, being promises to pay gold, should be made equal in usefulness to what it represents. We cannot establish a monetary system on any other basis, neither is it desirable if we could.

The public mind is in the utmost state of confusion in regard to a proper solution of our financial difficulties. While one class of politicians declares hostility to the legal-tenders, and asserts that no substantial prosperity can exist till they are swept out of existence,



another, active and progressive, has inaugurated a revolution in favor of them as against all banks, declaring that the future salvation of the country, financially speaking, can only be secured by the green-back policy. If the doctrine is true that revolutions never go backward, we need not be surprised if this country is now on the broad highway and rapid march to a financial system that will be in accordance with the progressive spirit of the age and adapted to the great ends of civilization.

#### River and Harbor Improvements.

### SPEECH OF HON. GEORGE G. DIBRELL, OF TENNESSEE.

#### IN THE HOUSE OF REPRESENTATIVES,

April 8, 1876.

On the subject of river and harbor improvements.

Mr. DIBRELL. Mr. Speaker, it has been the policy of the United States Government since the establishment of our national existence from time to time to make liberal appropriations to improve our rivers and harbors and to open up our great thoroughfares to facilitate commerce and navigation and to afford cheap transportation to the citizens of this growing and prosperous country.

This policy has developed vast sections of country in the West and Northwest that now appear to be the most flourishing and prosperous part of this continent. And without this liberal policy on the part of the General Government and the large sums expended in behalf of their works of internal improvement the great Northwest would be greatly behind her present greatness in point of commerce, wealth, and population. The liberal appropriations by Congress of money to open the rivers and lakes and other improvements has had a wonderful effect in developing the great resources of the Northwest; so much so that they are outstripping many of the older States in all the elements of wealth and prosperity and in commerce and navigation.

The subject of internal improvements by the General Government has been discussed amply and is one upon which parties in former days differed widely. It is now conceded on all sides that the Government not only has the right, but that it is the duty of the General Government to provide cheap transportation for the commerce of the country by aid in the opening up of our rivers, aiding in constructing railroads, and otherwise. The policy has so far become a national one that now it would be suicidal upon some sections of the country to abandon that policy. She has aided in opening rivers, building railroads, establishing telegraphic lines, and many other grand improvements that have proved to be great national blessings.

Many of our former statesmen were opposed to the internal-improvement policy by the General Government. This was particularly so with a large class of the members of Congress formerly representing the Southern States. Consequently, they would not, or did not, ask Congress for appropriations to improve our rivers, thus opening up our great highways to the markets of the world. The result is that, while millions of money have been expended upon the rivers, harbors, and railroads of the North and the Northwest, scarcely anything has been expended for like purposes in the South. The fault of this is not with the people of the North and Northwest, but is with our own people, for not demanding what they had a right to demand, the fostering care of the General Government in developing their section in like manner as it had done other sections, and what I have no doubt would long since have been granted had the necessary efforts been made and the great advantages of the country to be developed been made known to Congress. It is not the interest, nor do I believe it is the wish of any patriotic citizen of this great country of ours to make any distinction in legislation or to give any one section undue advantages over another; but to build up all alike, throw the strong arm of the Government around all alike, and bind us together in bonds of love and fraternal feeling, and make us as one people, having in view but one object, the glory and prosperity of the whole country. No American citizen can look back at our past history without rejoicing at our great progress, and none can comprehend the future. This being the centennial year, when we look back but half a century and see the vast improvements made in our commerce, in the arts and sciences, and in the agricultural and manufacturing interests of the country, our great rivers and lakes dotted by vessels from all the nations of the earth, and our railroads extending from the Atlantic to the Pacific, all bearing the commerce of the country, well may we exclaim that America is the greatest country in the world and Americans are the best people in the world.

The country has been thrice amply paid for every dollar expended by Congress in developing the resources and material interests of the country. Every national improvement has been a blessing to the country; and the people enjoying the especial benefit of such improvements always express a grateful appreciation of such help. It proves to the honest tax-payer that he is to derive some benefit from his hard-earned taxes and that his country is mindful of his wants. For what

more laudable purpose could we contribute our taxes and revenues than to be expended in the developing and improving our common country. Who is benefited more by such legislation than the honest farmers, mechanics, and laboring-men of the country? Then if they are benefited we are all benefited. The merchant, the lawyer, and even the politician are all dependent, either directly or indirectly, upon the success of the agricultural interests of the country. Every other branch of business falls back directly upon the agricultural resources of the country, and unless they prosper no other branch of business can last long. The laboring-men of the country who produce the corn, the wheat, the cotton, and the tobacco of the country are the stays upon which our vast population depend for food and raiment, and without them we would be without a country; they are the main stays, the pillars of our common country, and any legislation looking to their pecuniary interests should always be granted. And what is calculated to give them more encouragement than to open up our great rivers and highways so that they may be furnished cheap transportation for their surplus products to the best markets? And when they are thus benefited every other branch of business will in like manner be benefited. The farmers, the miners, and the manufacturers pay the bulk of the enormous taxes under which the country is now groaning on everything they eat, on everything they wear, and in fact on everything consumed by them. Then why should Congress not expend large sums to enhance the value of their products, to develop the material interests of their country, and to afford them cheap transportation to a ready market for all of their supplies? And I believe that this can be done as well in opening up our rivers by making improvements therein that will open up cheap transportation as in any other way that a public improvement can be made.

It is not strange that in many parts of the country our people are restless and dissatisfied, and are complaining of the enormous taxes paid, none of which is ever returned to them in the shape of public improvements or anything of the kind; but they know that their hard-earned taxes are taken to feed an army of office-holders seventy-five or eighty thousand strong, many of whom are paid enormous salaries for very small amount of labor, and many holding sinecure offices with liberal pay and no labor; and the usual daily labor of an official is six hours per day, while the laboring-men of the country are compelled to labor from sunrise until sunset, with a very small reward for such hard labor. Another source of complaint is that their hard-earned wages is taken from them in the shape of taxes to be used in paying to the rich bondholder or banker the interest upon his bonds, upon which he pays no taxes. This is a great source of complaint, and I wonder that our Government ever committed so grave a blunder as to omit taxing these bonds. The average profit of each national bank is from 20 to 30 thirty per cent. per annum, their net earnings for the last fiscal year exceeding \$58,000,000 upon a capital of \$200,316,000. When they paid into the Treasury in the shape of taxes the modest sum of \$7,200,000, their net profits of fifty-eight millions is declared, after deducting all taxes, costs, and charges; and with all this advantage the bondholder and money-lender are not satisfied, but are seeking to draw the knot closer around the laboring classes of the country until they will become but hewers of wood and drawers of water for the moneyed men of the country.

Another source of complaint is our internal-revenue laws, which greatly oppress the poor and build up monopolies for the rich. Look at the enormous tax collected during the past year upon the article of tobacco of about \$39,000,000, when the value of the entire crop is estimated at only \$40,000,000. It is said tobacco is a luxury and ought to bear a heavy tax. Is the use of tobacco as great a luxury as it is to be a banker or bondholder making 25 per cent. per annum upon his capital and paying no taxes? Be just and deal fairly with those upon whom we depend for the mainstays of our existence, and with the very men who never fail to respond to their country's call in times of danger. Give us temperate laws that can be obeyed; let taxation be equal and fair; let every branch of business bear its burdens; let the resources of the whole country be developed; and my word for it in another half century the world never saw such a country as this.

By reference to House bill No. 457, which I had the honor to introduce, it will be seen that it asks for the sum of \$700,000 for the improvement of the Tennessee River at the Muscle Shoals; \$150,000 above the Muscle Shoals; also \$50,000 for the improvement of the Hiwassee River. The Tennessee River is the sixth in size of all the rivers in the United States, and is, in my judgment, the second in importance to any in the country, draining, as it does, a territory of thirty thousand square miles, rich in soil, rich in minerals, and with a climate unsurpassed by any on this continent. Yet with all these advantages the Tennessee is as two rivers—the great Muscle Shoals, in the State of Alabama, cutting it in twain, as far as navigation is concerned. These shoals are about twenty-seven miles in length. There are now at work upon the channel around these shoals, which I am informed is twelve feet deep and eighty feet wide, about nine hundred hands, and by the 1st day of June next the contractors are to have nine of the twenty-seven miles of said canal or channel finished, being one-third of the entire distance. And by that time the appropriations heretofore made will have been exhausted, and it is of the utmost importance that this Congress shall make a liberal appropriation to continue the work, or there is danger of great damage and loss by failing to do so. It is impossible for steamboats to ascend the shoals except at very high tide, and then at great risk;



and flats and keels can only descend in like tides, and always with great danger and frequently with great loss.

The Tennessee River is upon an average from six hundred to one thousand yards wide; is navigable for steamboats, flats, and keels a distance of ten to twelve hundred miles, with numerous tributaries above the shoals, navigable for small steamers, flats, &c. It has no sand-bars, but a rock and gravel bottom easily improved, and when once improved it is an improvement that will last for all time to come.

There are now eleven steamboats plying in its waters above the Muscle Shoals, doing a thriving business, besides numerous flats, keels, and other crafts, and if the obstructions at the Muscle Shoals were out of the way, it would be one of the grandest water thoroughfares in America, flowing as it does from the lofty mountains of Western Virginia and North Carolina, which are full of minerals, through the full length of East Tennessee, "the Switzerland of America," passing along the northern line of the State of Georgia, through North Alabama, West Tennessee, and Kentucky into the Ohio River, traversing a magnificent agricultural country.

The Tennessee River bottoms, as well as those of all her tributaries, are of a rich alluvial soil, producing corn, wheat, cotton, tobacco, &c., in great perfection. The amount of produce of various kinds shipped up and down the Tennessee and transported south by railroad from Chattanooga and Decatur is immense. From the city of Chattanooga alone there is twenty million bushels of grain annually shipped south, a large part of which is raised or produced in the Northwestern States and shipped south by railroad for want of water navigation over the Muscle Shoals. If these shoals were removed nearly all of the produce of the Northwest would flow South via the Ohio, the Wabash, the Missouri, and the Mississippi and other streams, up the Tennessee to the proper shipping point to supply the demands in North Carolina, South Carolina, Georgia, Alabama, Florida, and Mississippi, thus saving to the producers by this cheap water navigation from 10 to 20 per cent. upon the coast of shipping his supplies to a southern market, enough in itself to in a few years repay the cost of removing said obstructions, as all will agree that water transportation is much cheaper than railroad. Then in addition to the advantages to be derived by the farmers and producers of the country by opening this stream and affording cheap transportation and travel for their products to a ready market, the great advantages to be derived by the whole country from opening up this great highway, to the millions of minerals lying loose and wasting in our country, only awaiting the blow of the sturdy miner to prepare them for the markets of the world.

There is not a country in the world richer in minerals with so many advantages combined incident to manufacturing, as is East Tennessee. A geological survey of the State of Tennessee shows that the table plateau in said State which borders on and is convenient to the Tennessee River, contains five thousand square miles of coal, most of which is of a very superior character, and can be used in manufacturing iron, direct from the mines, without the expense of coking; then in convenient distance is the limestone for fluxing, sandstone and fire clay for furnaces, splendid water-powers, and mountains of iron ore as fine as can be found in America.

The stone coal is from two to six miles from the river, while the iron ore is found in every hill around the city of Chattanooga, on the banks of the river, and all up the river for hundreds of miles. Furnaces may be erected every five miles on the north side of the river that would be convenient for iron, coal, limestone, and all the ingredients used in the manufacture of iron.

The manufacture of pig-iron at Rockwood, and the blast-furnaces and rolling-mills at Chattanooga, are grand successes and paying investments, and with water transportation East Tennessee can compete with the world in the manufacture of iron, as the following figures will show, they being extracts from a letter of George T. Lewis, esq., an experienced and extensive manufacturer of iron in Tennessee, addressed to Ex-Governor R. M. Patton, of Alabama, and whose statements are fully verified by those of General John T. Wilder, one of the founders of Rockwood and the other great iron industries in East Tennessee, both of whom are gentlemen of unimpeachable veracity.

The cost per ton of manufacturing iron in—

Eastern Pennsylvania.....	\$29 63
Central Pennsylvania.....	29 65
Pittsburgh, Pennsylvania.....	29 50
Shenango, Pennsylvania.....	30 58
Youngstown, Ohio.....	30 53
Stoutsville, Ohio.....	29 00
Jackson, Ohio.....	29 00
Saint Louis, Missouri.....	32 05
Southern Indiana.....	28 45
England, Wales, and Scotland, in American currency.....	19 00
Alabama.....	16 00
Georgia.....	16 00
Tennessee.....	14 43

I have no hesitancy in vouching for the above-named gentlemen, and the truth of their statements as to the cost of making iron in Tennessee.

Then, with iron manufactured in Tennessee at \$15 per ton, and the obstructions in the Tennessee River at Muscle Shoals removed, you may "away with your high tariff on iron for protection." We only want the high tariff put upon us by the railroads taken off to allow our East Tennessee iron to compete with all the markets in the world for cheap and durable iron, thereby saving to the farmer and the mechanic the 50 to 60 per cent. duty they now pay upon iron, and everything they buy or use made of iron and steel.

The Muscle Shoals are in the State of Alabama, but Tennessee has a much greater interest in their removal than has Alabama. The States of Ohio, Indiana, Illinois, Iowa, Kansas, Missouri, and Kentucky are all interested in this grand improvement by affording them a longer water navigation to the southern markets.

The recommendations of Major Walter McFarland, United States Engineers, and the secretary are reasonable and should be respected, as they know the great importance of the enterprise. It is due to Major McFarland to say that he has managed the appropriations heretofore made with great prudence and care; and the work done under his supervision has been of the most substantial character, and if the amount asked for under this bill is appropriated, it will be sufficient to keep the work going for the next year, and will insure the removal of this great and long-dreaded eye-sore to the free navigation of the Tennessee River, one of the finest water-courses that flows through any country.

The Hiwassee River, for which the bill aforesaid asks an appropriation of \$50,000, is a tributary of the Tennessee River, heading in the State of North Carolina, running southwestwardly, and emptying into the Tennessee River about fifty miles above the city of Chattanooga, passing Charleston and Calhoun, at which places the East Tennessee, Virginia and Georgia Railroads cross the Hiwassee. This river was examined by Major Walter McFarland, United States Engineers, in September, 1874, by authority of an act of Congress passed 23d June, 1874, who submitted his report in detail to Brigadier-General A. A. Humphreys, Chief of Engineers United States Army, from which I make the following extracts, to wit:

The part of the river over which his examination extended passes through a rich farming and mineral region, but no reliable statistics of the amount of its products could be obtained. The estimate is based upon a depth of two feet at low water and a channel width of forty feet. And the amount estimated for a distance of thirty-three miles, which would take it to the Savannah farm, is \$20,000.

Maurice Kingsly, the assistant engineer, says in his report, dated October 19, 1874:

A channel two feet in depth at lowest-water mark and forty feet wide could be opened at comparatively small cost, giving an average channel thereof of two feet and six inches in summer and fall and of three and a half feet in the winter and spring seasons.

In the Chilhowee Mountains there are deposits of gold, silver, lead, and copper, the latter being worked extensively at Ducktown, twenty-five miles from Benton, on the Ocoee River, where about 1,200,000 pounds of copper were taken out and wagoned down to Cleveland, on the East Tennessee, Virginia and Georgia Railroad last year. For some years the yield of the Ducktown copper mines was brought to Benton and thence shipped down the river, but the difficulties of navigation and the loss of the steamboat that then plied on the river compelled the company to abandon the river, and freight the whole distance by land to Cleveland.

He says further:

There was an appropriation made by the State Legislature thirty years ago for the improvement of this river, but the funds were so badly applied that no permanent benefit was derived from it.

Again he says:

There are at present seven flat-boats and keel-boats, drawing from eighteen inches to three feet of water, which make trips up and down the river during the winter months, and steamboats from the Tennessee River take advantage of the winter tides to make a few trips. The Lucy Coker is now making two trips up the Hiwassee as far as Kinkannon's ferry, and some years ago brought out a full cargo from the Savannah farm.

A new steamboat has just been finished for the Hiwassee, and is now making regular trips up and down the river.

The reasons for asking for \$50,000 was to open up the river above the Savannah farm, where the survey ended, and to reach, if possible, the rich beds of iron-ore in the mountains, and to go as near the copper mines at Ducktown as was possible; the valleys along the Hiwassee and Ocoee Rivers furnishing a very large surplus of farm products seeking a market, and the transportation of the copper alone being a large item in connection with the advantages to be derived by opening up this river.

The annual income of the Ducktown copper mines is about half a million dollars; and their transportation account, which has to be done by wagon and teams, is from twenty-five to forty thousand dollars annually; while if the Hiwassee was opened up so that they could have water transportation within twelve or fifteen miles of the mines, it would save to that company alone in three or four years more than the appropriation asked for. This company employs three or four hundred men in their mines, most of whom have families; and nearly all of the supplies to feed and clothe these hands and their families are teamed thirty or forty miles, and the copper teamed forty miles to reach railroad transportation. The gross expenses of the company are about \$300,000 annually; and the annual product of the mines is one and a half to two millions of pounds of refined copper, equal to any made anywhere.

Now we come down to the question of right and justice. I am aware of the fact that some honorable members of this House have expressed themselves as opposed to all appropriations. This is certainly very wrong. Members should always reflect before making such harsh pledges. They should view all of the surroundings, the necessities of the country, and with a noble, generous impulse come to the rescue of the country. We need not be alarmed at the financial outlook with the receipts of the Treasury averaging near or quite \$1,000,000 daily. Certainly of this vast income enough can be spared to open up our great highways and develop our vast mineral wealth. If it is necessary to do so, let us apply the pruning-knife freely in cutting down the salaries of officials, beginning at the highest and going down to

the lowest. Let us dismiss the thousands of supernumerary officials that are now paid from the Treasury and apply the money thus saved to the improvement of our rivers and lakes. But never, no never, go back upon the whole country by refusing to make liberal appropriations to develop the country.

The whole country is benefited by such appropriations and no one is damaged; the amount is a mere trifle to each tax-payer. The disbursement of the appropriation to hundreds of honest laborers who do the work will bring bread and clothing to hundreds of hungry women and children, who would without it probably suffer for the necessities of life; it cheapens transportation, thereby benefiting the laboring-man who ships his produce to market; it breaks down railroad monopolies, and gives new life and energy to the whole country wherever such improvements are made; and generations to follow will rise up and bless those before them who caused these great benefits to the country.

We of the South do not ask this appropriation as a demand, but we simply ask it as a matter of right and justice, an enterprise fraught with great benefits to the whole country, and a matter that will not be felt as depleting the Treasury.

That members of this Congress may see that we are justified in asking this justice at their hands, I compile a few facts gathered from Executive Docket No. 12, submitted to the Forty-third Congress, which shows that from the year 1789 to the year 1873 the United States had expended on account of public works, railroads, canals, rivers, &c., the enormous sum of \$207,329,664.77; and of this vast sum so expended the fifteen Southern States have received only the sum of \$18,594,064, and the other States have received \$189,405,600; and, to show more plainly that Tennessee feels that she is entitled to aid and can rely upon a generous Congress in this emergency, the same report shows that of all the money thus appropriated that she has received only the small sum of \$451,826.29, and that the State of Alabama, in whose territory the bulk of this appropriation is to be expended, has received but \$1,176,747.70. These wrongs inflicted upon our people are more the fault and folly of our former Representatives in holding that the General Government should not engage in works of internal improvements, than any one else; and this false idea has at last subsided and given way to the advanced ideas of the nation, that it is the duty of Congress to put the people's money where it would do the people the most good.

To show you where these appropriations have been expended, I append the following table from said report, namely:

There have been expended in—	
Maine.....	\$3,167,509 63
New Hampshire.....	1,285,912 34
Vermont.....	209,256 35
Massachusetts.....	6,071,197 65
Rhode Island.....	880,211 29
Connecticut.....	676,724 19
New York.....	15,601,722 24
New Jersey.....	374,505 82
Pennsylvania.....	3,374,564 23
Delaware.....	1,244,731 85
Maryland.....	1,809,194 02
District of Columbia.....	15,320,224 10
Virginia.....	1,955,577 50
West Virginia.....	5,094 25
North Carolina.....	898,413 53
South Carolina.....	792,015 98
Georgia.....	264,178 04
Florida.....	2,927,456 41
Alabama.....	1,176,747 20
Mississippi.....	1,131,441 95
Louisiana.....	2,763,944 01
Texas.....	240,209 09
Arkansas.....	622,494 03
Missouri.....	1,545,171 11
Kentucky.....	1,207,928 90
Tennessee.....	451,826 29
Ohio.....	2,183,863 50
Indiana.....	2,308,636 50
Illinois.....	2,386,057 23
Michigan.....	5,012,021 86
Wisconsin.....	2,203,673 58
Iowa.....	2,628,787 19
Minnesota.....	1,373,257 00
Kansas.....	2,483,061 92
Nebraska.....	419,836 15
Nevada.....	422,681 33
California.....	6,379,995 34
Oregon.....	1,060,169 14
Arizona.....	246,415 92
Colorado.....	53,236 85
Idaho.....	86,233 15
Indian Territory.....	7,920 00
Montana.....	41,575 00
New Mexico.....	225,068 94
Utah.....	7,943 70
Washington.....	214,162 13
Wyoming.....	71,454 52
Maine and Massachusetts, jointly.....	10,000 00
Connecticut and New Jersey, jointly.....	23,499 79
Maryland and Virginia, jointly.....	180,645 18
Louisiana and Arkansas, jointly.....	95,000 00
Wisconsin and Michigan, jointly.....	50,000 00
Utah, Nevada, and California, jointly.....	34,267,704 49
Utah, Nebraska, and Wyoming, jointly.....	34,350,703 70
Kansas and Colorado, jointly.....	7,766,212 11
Iowa and Nebraska, jointly.....	2,192,703 38
Miscellaneous.....	23,361,593 39
Total.....	207,999,664 77

Of this sum, \$103,294,501.34 was expended upon public works from 1835 to 1873, and the amount appropriated to the Southern States of that amount was only a fraction over \$3,000,000, leaving about one hundred millions in the last ten years to the Northern and Western States. Surely, with this showing, the small sum asked to open up the Tennessee—the second river in importance to any in the United States—and the Hiwassee, a rich tributary, will not be denied us; but that appropriations will from time to time be made, until the obstructions in these rivers will all be removed, when we can ship our surplus products to the markets of the world, and can and will compete with the world in furnishing the best and cheapest iron to be had anywhere.

#### Homesteads and Pre-emptions Within Railroad Limits.

### SPEECH OF HON. JOHN R. GOODIN,

OF KANSAS,

IN THE HOUSE OF REPRESENTATIVES,

April 15, 1876.

On the bill (S. No. 34) reported from the Committee on Public Lands, being a bill to confirm pre-emption and homestead entries within railroad limits.

Mr. GOODIN. Mr. Speaker, during the last Congress several bills were introduced into the House and at least one in the Senate of the same general tenor as the one under consideration. In the first days of this session the present bill was introduced into the Senate and took its number as Senate bill No. 34. In the House the bills previously offered in the Forty-third Congress were re-introduced and all referred to the Committee on Public Lands, of which I have the honor to be a member. In this committee, owing to the vast importance of the subject-matter, the consideration of these several bills was commenced early in the session. The news reached the railroad companies to be affected by this legislation, and agents and attorneys were immediately dispatched to this city to prevent, if possible, the legislation proposed. For months there has scarcely been a meeting of the committee at which some railroad attorney did not appear to resist any report which might be favorable to the passage of any one of these several bills.

Over a month ago the present bill passed the Senate and at this, the only period since that time for reports from our committee, we present for the favorable consideration of the House during the present hour the bill passed by the Senate without amendment. Speeches by some of the ablest legal gentlemen of the land have from time to time been delivered in committee, and the drawers and tables of the committee-room are filled with learned briefs, replete with legal precedents and frightful warnings against any such measure as is now reported; and I will here add, Mr. Speaker, lest some may think that the committee may have turned a deaf ear to adverse argument, that the most respectful deference and attention were given by each member of that committee to the oral arguments, while the printed briefs have been perused with the most studious care. Still, sir, the bill is favorably reported, and for myself I may say that I have never wavered for a moment during the protracted discussions in committee in my belief that it is based upon principles of the surest equity, and means only even-handed justice, the weak with the powerful, the poor with the rich.

Mr. Speaker, on the 20th day of September, 1850, Congress passed the first railway land-grant act to aid in the construction of a railroad from the southern terminus of the Illinois and Michigan Canal to a point at or near the junction of the Ohio and Mississippi Rivers, and two branches, one to Chicago and the other to the city of Dubuque, in the State of Iowa. For this purpose 2,595,053 acres were granted. At the same time and in the same act 737,130 acres were given to the States of Mississippi and Alabama for an extension of the same road from the mouth of the Ohio to Mobile. Subsequently grants were made to aid in railway construction up to and including the year 1872, of the enormous amount of one hundred and eighty-three million four hundred and thirty-two thousand two hundred and seventy-four acres!

Mr. Speaker, the same general features were maintained in the several granting acts; the alternate sections for a specified distance along the lines of road were given to the railroads, and usually designated by odd-numbered sections. From the time the land-grant system was inaugurated it has been the custom of the Interior Department, upon the ascertainment of the definite location of a line of roads to which lands were granted, to withdraw the granted lands from market. This has been done by an order to the local land office, whose maps, plates, and field-notes were made to show the location of the road and identify the lands reserved from disposal by the United States.

But, sir, it is scarcely necessary to consume attention by showing what seems to be the manifest justice of this course of procedure. The local land office is by law intrusted with the duty of the disposal of the public lands within the district, in accordance with the several act of Congress. Up to the time of the notification of the local office of the location of a line of road, the register and receiver



have no means of knowing what are and what are not reserved lands for railroad purposes. An act is passed, for instance, granting lands to the State of Kansas in aid of the construction of a line of road from one point in the State to another. The road is not in course of construction. It is merely a *proposed* road. Through what towns, counties, or sections of land the road is to be built can only be determined when it is definitely located—located beyond change. The running of merely preliminary surveys, upon which the road may never be constructed, will not enable any one to say what the granted lands are. The identification of the railroad lands, their separation from the body of the lands not granted, can never be fixed with definiteness until the positive location of the line of proposed road.

But it is claimed by the railroads to whom lands have been donated that where by the terms of the granting act the condition precedent to the passing of title to the railroads is the "definite location" of a line of road, that when such location is made by a railroad company, by its own agents and according to its own mode, title immediately vests regardless of the fact whether the lands are ever withdrawn or not. This, sir, may be the law, but the train of evils which would follow in its wake may well arouse in the breast the doubt whether a judicial tribunal would so declare. The question, it seems to me, would suggest itself to the judicial mind whether the "definite location" of a line of railroad within the meaning of the act did not include more than the survey upon the field of a line upon which a road might be built and the planting of stakes to mark the line thus surveyed. Is the power of the Government for the disposition of the public domain in a large area of territory to be held in abeyance to await the "definite location" of a railroad line which may never be made? Or if it be made, is this power defeated while the company fails or refuses to report its location to the Land Department of the Government? Or, to make the case more pointed, will an unreported survey of a definite route entitle a railway corporation thus derelict in duty to claim rights as vested from the very date of survey, or of the approval of the survey by the managing board of the company?

If, Mr. Speaker, in addition to the millions of acres which have been given away to railroad corporations where there is no question as to the validity of the donation, we are to have superadded such a construction as this, it is high time for the patient people of this country to join together in council and prepare their minds for any innovation which legislative or judicial sanction may impose upon them. The injustice of such an interpretation need scarcely be mentioned. Who knows, aside from the officials connected with a railway, that, when a corps of engineers passes from county to county with chain and compass, leaving here and there a little stake as the only evidence of their presence, they are intending to mark the "definite location" of a railroad line? The toiling tiller of the soil, as he follows the furrow after his plow in an adjacent field, does not know it. The weary immigrant in his wagon with his family, making his way across the broad unfenced acres, looking here and there for a tract of land upon which to build himself a happy country home, does not know it. The surveyors in the field do not know that the line they are running is to be adopted as the "definite location" of the line for the railroad. The officers of the land office, with no marked line upon their plats, do not know it, and in the discharge of their official duties they are daily permitting entries under the homestead and pre-emption laws to be made upon either side of the engineers' line of march. And yet we are told that if perchance the board of directors of the railway at some subsequent period—no matter how long deferred—should conclude to adopt this line at a secret session, in some remote city, from that date the right of the company immediately becomes "vested" under the law, and are beyond legislative control! Not only so, but some of these gentlemen, distinguished for their legal learning as well as for their previously evinced fairness, insist that by the adoption of the line the rights of the company antedate the time of such adoption, and vest at the date of the running of the route of survey.

I opine, Mr. Speaker, that many members of the legal profession upon this floor will seriously doubt the correctness of their opinions in this regard. Surely the representatives of the people, who in furtherance of railway construction enacted these laws making donations of public lands, could not have contemplated that such an interpretation would be placed upon their enactments. While not having any adjudicated case before me from which to quote upon this point, I think I may safely state the judicial rule of construction to be this: That all laws making donations or gifts shall be strictly construed, and that nothing shall be deemed to have passed thereunder save that which plainly appears to have been intended to pass. Or, in other words, where one claims by virtue of a gift or donation, as contradistinguished from a transfer for value, the donation will not be extended by implication.

But, Mr. Speaker, I can to some extent comprehend the assurance of the railroad companies when I reflect upon the change which has come over the spirit of the Interior Department in their behalf. Formerly the organization of this important Department of the executive branch of the Government seemed to give assurance of fair dealing with all persons having business connections with it. Latterly it would seem that the humbler the appeal for justice from it the less liable was it to be awarded; while, on the other hand, the more arrogant the demands from wealthy monopolies the more certainly would they be acceded to.

For the purpose of showing clearly, sir, that at one time there seemed to be no doubt that an actual withdrawal of public lands was necessary before any rights could be vested in a railroad company, I will read an official letter from the Commissioner of the General Land Office to the Secretary of the Interior, under date of April 14, 1873, which is self-explanatory:

DEPARTMENT OF THE INTERIOR, GENERAL LAND OFFICE,  
Washington, April 14, 1873.

Sir: I have the honor to submit herewith papers on appeal from the decisions contained in my letter to the district land officers at Independence, Kansas, dated February 24 last, Topeka, February 27, and Salina, February 24 and 28 and March 3 last, refusing to cancel the following homestead entries upon the application of the attorney for the Missouri, Kansas and Texas Railroad Company, who claims the lands as inuring to the grant to said company, to wit:

Here follow the entries at the Independence, Topeka, and Salina offices.

These entries are of a similar character to those referred to in your decisions of September 3 and December 19 last, in the cases of A. W. Nichol *et al.* and Frank Hatke *et al.* The Saint Joseph and Denver City Railroad Company, having been made upon railroad lands after the definite location of the road, but before the date of withdrawal, in accordance with the rulings of the Department then in force; and as the grants are of the same character, it was in accordance with these decisions that I declined to cancel the entries.

The further suggestion that the language of the fourth section of the act requiring the Secretary "as soon as said company shall file \* \* \* maps of its line designating the route thereof, \* \* \* to withdraw from the market the lands granted," presupposes the fact that such lands were intended to remain in the market until such maps should be filed for the protection of the company; and if the withdrawal was made within a reasonable time after such filing, the duty of the Secretary was performed under the law, and the company cannot take advantage of any laches of its own in failing to file such map immediately upon its definite location, and thereby securing to itself the full measure of its grant in place at that time and indemnity for such lands as had been then disposed of. After such definite location, and prior to the withdrawal, I do not understand the law to protect the company or give any indemnity, as it was the business of the company, and not of the Department, to take the first steps by filing, if necessary, a map of general route toward securing their grant unimpaired.

This view of the law is made necessary, in my judgment, in order to give effect to the provisions of the fourth section, under the rule requiring every portion of a statute to be enforced if its enforcement is possible without violation of what is clearly provided for in other parts of the same.

The first section simply defines the rights of indemnity under the grant generally made. The fourth section specifically sets forth the manner in which a withdrawal shall be made "to effect the purpose of the act and subserve the public interest." The papers submitted are as follows: First, homestead paper, marked A; second, extracts of letters containing my decision, B; third, attorneys' letters and arguments, C.

I am, sir, very respectfully,

WILLIS DRUMMOND, Commissioner.

HON. C. DELANO,  
Secretary of the Interior.

Mr. Speaker, from this decision it plainly appears that the rule requiring the company to file a map showing the definite location of its line of proposed route, so that the lands could be withdrawn from market, was no new one. This opinion was rather an adherence to the established practice of the Department relative to the land-grant laws adopted prior to that date, and seems to be in consonance with sound reason and perfect equity. But, sir, the railroads complained of it. The poor men who in good faith had settled upon what was afterward declared to be within railroad limits were not to be permitted to enjoy their little homes, and the head of the Interior Department was vigorously besieged for a change of base. The demand was cheerfully acceded to, as the following extract from the letter of Secretary Delano, in reply to the one just read, will show:

I now hold and you will adopt the rule for your guidance in this case and all like it, that in all cases where patents have actually been executed in accordance with a construction of law adopted by the Department and in force at the time of the execution of the patents, the patent will not be canceled or set aside upon any subsequent controversy arising between the different claimants, but the parties will be left to their remedies in court and the cases will be treated as *res adjudicata*. But in all cases where the controversy arises before patent has been executed, the rule of conclusion adopted by the Department and in force at the time of the hearing in all its stages, and before any proper officer or officers, will be applied and the case decided in accordance with it, although it may differ from the rule recognized by the Department at the time the respective proceedings were commenced.

In the case now under consideration the right of the railroad attached upon the definite location of its road and before any of the filings of the contesting parties were made. These filings were made before the withdrawal of the lands, but under the construction now adopted by this Department the right of the railroad attached at the time of definite location, and not, as formerly held, at the time of withdrawal. No patents have been executed, and under the law, as I understand it, and the rule above stated, the right of the railroad is superior to that of other parties; and your decision should be reversed. I therefore reverse the same, and herewith return the papers transmitted with your letter of April 14, 1873.

Mr. Speaker, mark this language in the letter of the Secretary:

These filings were made before the withdrawal of the lands, but under the construction now adopted by this Department the right of the railroad attached at the time of the definite location, and not, as formerly held, at the time of withdrawal.

"Not, as formerly held, at the time of withdrawal," says the Secretary. Under the ruling "as formerly held" the pre-emption and homestead settlers were protected in their entries made at any time prior to the withdrawal; "but under the construction now adopted" the railroads got *all the land*.

Having made this bold stride in the direction of wiping out the former practice and rule of construction, by easy gradations the learned Secretary was brought, on the 20th of January, 1874, to enunciate another opinion, which must have caused the railroad kings to weep for very joy; for was not their cup of earthly happiness full to overflowing? At the date last named Mr. Delano said:

It is held by the Department that when a survey is made in accordance with a resolution of a board of directors of a company authorizing the same, the dates of



such survey in the field are to be taken as the definite location of the road. But when the line of route is subsequently adopted by the board of directors as their definite location, the date of such adoption governs.

Here, sir, we have the declaration, broad and comprehensive, if a previous resolution of a railway board of directors authorizes the survey of a line of road, that as fast as the engineer can run the line in the field the lands upon either side are to be deemed appropriated by the railroad company. There is left out of consideration entirely any requirement to file a map or profile showing the route actually selected, and it is decided that the vested rights of the company may be irrevocably secured beyond judicial or legislative interference by the sole act of the railroad company. No approval, no acceptance, no recognition of the surveyed line by the executive department of the Government is essential to pass title. If a report of the surveyed line was never made, the result is precisely the same as if it was promptly presented; and the Government proceeds to sell and otherwise dispose of what it considers a part of the public domain in blissful ignorance of the steps taken by the railroad, which secures to it thousands, yea millions, of acres of land already disposed of under authority of the United States.

Mr. Speaker, in most if not all of the acts making donations of land for railway purposes the grant runs to the State, to aid in construction of railroads. In the several acts which I have examined this provision is found:

But in case it shall appear that the United States have, when the line or route of said road and branches are definitely fixed by the authority aforesaid, sold any part of any section heretofore granted, or that the right of pre-emption has attached to the same, then it shall be lawful for any agent or agents appointed by the governor of said State to select other lands in lieu thereof, &c.

Hence it will be observed that, anticipating the disposition to actual settlers of lands prior to notice of selection or definite location of a railroad line, the rights of the company are sought to be fully saved by permitting selections equivalent in amount to those disposed of.

Attorney-General Cushing, in a case decided by him in December, 1856, used this language:

I think all the precedents in the action of the Government as applied to previous grants in the same or similar terms tend to confirm this conclusion; for, in the analogous cases the contingent strips of public domain subject to such future railroad location were withdrawn from private entry by proclamation of the President, thus implying that *without such withdrawal* private entries would go on as usual; and the power of the President to make such withdrawal the means, and the only means, of preventing anticipatory private appropriations in the case of railroad grants has been recognized by a recent act of Congress.

Here, sir, Mr. Cushing speaks of the custom prevailing at the time he pronounced that opinion of withdrawing by executive proclamation the lands sought to be appropriated for the benefit of railroads. And let me say that the same practice has prevailed ever since that time. Any other would tend to confusion of rights and produce chaos in the administration of the land laws of the country.

The act of Congress which Mr. Cushing had in view at the time of giving the opinion quoted I think must have been the following, as it seems to be harmonious with his utterances. It was passed in March, 1854. I will read it:

That every settler on public lands which have been or may be withdrawn from market in consequence of proposed railroads, and had settled thereon prior to such withdrawal, shall be entitled to pre-emption at the ordinary minimum to the land settled and cultivated by them: *Provided*, They shall prove up their rights by such rules and regulations as may be prescribed by the Secretary of the Interior and pay for the same before the day that may be fixed by the President's proclamation for the restoration of said lands to market.

Now, Mr. Speaker, we must not lose sight of the fact that this statute is still in force and that all of the rulings of the Interior Department adverse to the homestead and pre-emption settlers have been made in the full glow and radiance of its generous provisions. I have not been able, sir, to ascertain the number of persons who have been permitted within railroad limits, according to the former rulings, to make entries under the homestead and pre-emption laws. They number in the States of Kansas, Minnesota, Nebraska, and Iowa, however, many thousands; and a class more deserving of protective legislation cannot be named. These are the men who with their families and all of the worldly possessions owned by them, with faces westward turned, led the advancing hosts of civilization. With honest hearts and sinewy arms they sought the undisturbed prairies as their common heritage, and laid, as they supposed, the certain foundations of peaceful and prosperous homes. From year to year, with brimming hopes of future happiness, unvexed by exacting landlords whose rents consumed the annual products of their toil, they sought places for permanent habitations:

Like ocean in its tided might,  
The living sea rolled onward, on!

and their tents and camp-fires gave evidence of the immense army of husbandmen who dared to brave the hardships and trials incident to the establishment of new homes in a new country! They found the land vacant; they went to the land office of the district within which they proposed to locate; the maps and plats there disclosed no adverse claim to the tracts selected; they complied with the instructions of the Land Department of the Government; they obtained their certificates of entry and homestead receipts, and vigorously set about breaking the soil, building their dwelling-houses and barns, and otherwise making visible, permanent improvements upon their

chosen selections. Subsequently their lands were withdrawn in behalf of railroads and the Secretary, as we have seen, reversing all former rulings, directed a cancellation of the entries so made.

Mr. Speaker, I have adverted to the land-grant laws, the rulings of the Interior Department from time to time, the peculiar injustice which so grievously affects the thousands who with the purest of motives and the sincerest good faith have staked their all upon the solemn and oft-repeated decisions of those in authority. I have labored with earnestness and unflinching zeal to secure the legislation here proposed, which is to restore, so far as legislation can affect this purpose, the anterior practice and rules of construction which have governed the class of cases enumerated in the bill. If the essential features of it shall be passed into a law, and the courts of final judicature shall sustain the present claims of the railroad companies, I shall feel that I have at least performed my duty fearlessly, and, with those so immediately affected, will yield, however sorrowfully, a graceful obedience to rightful authority. If, on the other hand, the passage of this bill shall serve to render secure in their homes those hardy pioneers who have already suffered so sorely the privations of a frontier life, and who are now well-nigh crushed with anxiety for the security and safety of the little homes for which they have so gallantly battled, the reflection of duty conscientiously performed will come to me through future life as among the most pleasant remembrances of my official career as a member of this House.

Sir, the passage of this bill, which seeks to confirm the homestead and pre-emption entries heretofore canceled, will give to the settlers patents for the lands claimed by them. In many instances—not in all, however—patents have likewise been issued to the railroad companies. If in such cases the legal questions which have been so elaborately discussed in committee for so long a time shall come before the courts for judicial determination, the settlers will have in possession the monuments of title, and in this respect will stand on an equality with the monster corporations against which they will be arrayed. The popular demand for the passage of this bill cannot be mistaken. Not a day passes that I do not receive at least a dozen letters urging my exertions in its behalf, while from other western States similar appeals are continually made to their Representatives. Now, Mr. Speaker, in conclusion permit me to observe that for the reasons already given, as well as for others which might as consistently be presented, I think that the pending bill should become a law. The equities are certainly with those for whose benefit it was framed, and we should be regardless of a plain duty if, seeing in the distance the right, we should close our eyes upon the path which unerringly leads to it.

Habeas Corpus—Hallet Kilbourn.

## SPEECH OF HON. W. B. WILLIAMS,

OF MICHIGAN,

IN THE HOUSE OF REPRESENTATIVES,

April 17, 1876,

On the report of the Committee on the Judiciary in relation to the case of Hallet Kilbourn.

MR. W. B. WILLIAMS. Mr. Speaker, in the question under consideration it is important that we clearly understand the position taken by the majority of the committee as to the present status of the witness Kilbourn. I regret to say that in my view there is a broad discrepancy between the gentlemen who addressed the House upon the majority side of this question. There should be no misunderstanding upon this question, no two-faced propositions. Let the line be clearly drawn, so that all may understand it; so that the people of this country may know the power we are now exercising and the power it is claimed that we should exercise affecting the personal liberty of the citizen.

Are we detaining Hallet Kilbourn in jail as a witness or are we detaining him in execution?

Is he imprisoned for an offense committed and in punishment for such offense, or is he simply detained as a witness to prove some material fact? It is important for us to know the precise position of the witness before we refuse this writ of right, a writ that every citizen illegally restrained of his liberty has the right to have, and no judge has a right to refuse upon a proper case being made.

The question first to be settled is upon what grounds and under what pretense is Hallet Kilbourn confined in the jail of this District?

We have the preamble and resolution of the majority of the committee to aid us in the solution of the question, and we find it asserts that Hallet Kilbourn was duly subpoenaed to testify, &c., and refused to answer certain questions and to produce certain books and papers, and that for such refusal the House adjudged him in contempt of its authority and ordered him into custody until he shall purge himself of such contempt and answer the questions propounded and produce the books and papers.

Upon the theory here enunciated he is claimed to be virtually his own keeper; that his confinement is subject to his own order; that he

can at any time unlock his prison doors, if he will unlock his mouth and reveal the secrets claimed to be hidden in his own breast and unlock his safe and produce his private books and papers. This the witness takes issue upon and claims that his private business and private books and papers are not subject to or within the scope of our powers of investigation.

The issue thus made is clearly defined, and the witness is not claimed to be in contempt in any other matter than in this particular; in other words, his contempt consists, if contempt it is, in refusing to disclose his private business and to produce his private books, and upon this the House adjudges him in contempt of its authority. So that the issue is upon the right of the House to pursue the investigation into the private affairs of the witness. This is certainly a very important legal question, and it is jurisdictional so far as the imprisonment of the witness is concerned; and with a view to a continuance of these investigations it is important that it should be settled at the earliest possible moment.

The question is not free at least from doubt, and the only question for us to consider is, will we permit the courts to decide it?

It is claimed that we have the right to punish for contempt, and having that right no court has the right to inquire into the cause of the detention of any person held as for contempt by this House. That is, in my judgment, begging the whole question; the witness makes the issue directly here: he denies any contempt of the House, and pleads to its jurisdiction. Has he not the right to have that question decided by the courts? It is claimed that this body is as to that question the court to decide, and that there is no tribunal to review our decision. If that doctrine is correct, the court would on the return of the writ to it with the body of the witness Kilbourn be obliged to remand him back into the custody of the Sergeant-at-Arms, and the question will be settled by the tribunal authorized by the Constitution to determine what the law in its application to a given case is. But if it should not be correct, then the court will go further and inquire into the jurisdiction of this House to commit the witness Kilbourn for contempt—in short, the right of the House to require him to produce his private books and papers and to disclose his private business.

I do not concede the truth of the position claimed, that this House is the sole judge of what constitutes a contempt of its authority, and that its action upon a question is not subject to revision. In my judgment, no more startling proposition could be enunciated. It places the personal liberty of the citizen at the mercy of the House. It overrides the system of checks so wisely interwoven into our form of government to prevent the arbitrary exercise of power. It overthrows the power of the judiciary, and claims the extreme exercise of the judicial functions. Adopt it as the rule for future government, and you strike a more dangerous blow at the liberty of the citizen, and necessarily at the nation itself, than any it has ever sustained. Adopt it and make the return proposed by the majority of the committee, and you virtually destroy the efficacy of the writ of *habeas corpus* as effectually as in the days of Charles I and from 1625 to 1679. Adopt it, and you turn back the wheels of civilization and enlightenment to the regal power of the seventeenth century. Adopt it, and the great battle then so fiercely fought in favor of personal liberty and against despotic power will have to be fought over again, and the advantages that inured to Englishmen by the act of Charles II will be lost to American freemen.

The return proposed in this case in effect deprives the court of the power to act, as it has no power over the alleged prisoner. The return will give the court no more power over the prisoner than that made by the warden of the Fleet in the days of Charles I, when the return was in substance that the prisoner was held by the warrant of the privy council and committed by the special command of His Majesty, a return that the corrupt court held to be sufficient, and thereby, as Hallam informs us, overthrew and destroyed the effect of every statute designed to protect the personal liberties of Englishmen from the days of Magna Charta, a decision that gave birth to the Petition of Right, which again was paralyzed by a corrupt judiciary in the interest of the king, and finally Parliament adopted the *habeas corpus* act of 1679. This act, like our own, was made compulsory upon the judges, and required the return to be accompanied by the body of the applicant.

The return proposed here is in effect the return *per speciale mandatum regis* of the days of Charles I, as it gives no more power to the court than that return did. And, strange as it may seem here in the centennial year of our liberty, we see the House of Representatives in the United States of America attempting to usurp the same power that it cost so many years of bitter struggle to wring from the king. In the same power I mean the arbitrary power over the liberty of the citizen that prevents review by the courts. It matters not whether this power is excised by the king or by the commons, once granted to either its deadening, blighting influence is the same.

But much has been said about our judicial power. Where do we get it? Certainly not from the Constitution. If we exercise judicial powers in any sense it is a legislative usurpation. It is claimed that having the power to punish for contempt, the doing so is a judicial act. This power to punish, if it exists, is not granted to us for judicial purposes; it is not in fact granted to us at all, but we acquire it as a necessary incident to our legislative powers and duties, and for

the protection of those powers and duties, and for no other purpose. It is strictly a legislative power whenever and wherever exercised by a legislative body, as much and as fully as it is a judicial power whenever and wherever exercised by the judiciary. And all this array of authorities and argument of gentlemen to show that one court will not inquire into the action of another of competent jurisdiction has no force or bearing upon this question.

The assumption that a judicial tribunal stands upon the same footing as a legislative body is a gross perversion of the relative powers of each. The scope of judicial powers, as I have already said, is to determine what the law is, while legislative power determines what the law shall be. The former acts upon laws in existence, the latter determines what the law shall be in the future, and there is therefore in this case no danger of a conflict between courts or between powers of the same nature. The authorities would have a bearing upon a question of a similar nature between the Senate and the House, but none whatever upon the case under consideration.

The judicial power was established to protect the rights of property and the rights of person of the citizen, and in doing so is constantly reviewing our acts as a legislative body; and shall we say that this one act of ours they shall not review, simply because we think we have the power to prevent it? Or shall we comply with the law and not seek to nullify it and surrender the custody of Hallet Kilbourn to the court under a writ of *habeas corpus*, in order that his right to personal liberty may be solemnly determined by the tribunal authorized to adjudge upon the personal liberty of the citizen?

To my mind the duty is clear and imperative, and I shall not hesitate to vote accordingly, and to so vote that the right of the citizen may be respected, the power of the courts be sustained, and the provisions of section 9 article 1 of the Constitution prohibiting the suspension of the writ of *habeas corpus* not be violated; a refusal to return with the writ the body of Hallet Kilbourn, being in and of itself a nullification of the power of the writ, makes a virtual suspension of it.

Habeas Corpus—Hallet Kilbourn

## SPEECH OF HON. B. T. EAMES,

OF RHODE ISLAND,

IN THE HOUSE OF REPRESENTATIVES,

April 17, 1876,

On the report of the Committee on the Judiciary in relation to the case of Hallet Kilbourn.

MR. EAMES. Mr. Speaker, we live under a government of law, and not of men. The Constitution of the United States and the laws passed in pursuance of it are the defense, protection, and safety of the American citizen in his rights of life, liberty, and property. Under this Constitution there are three departments in this Government: the legislative, the judicial, and the executive; and these three departments, each acting within its prescribed constitutional limits, constitute the Government upon which every one of us depends for the security of his rights as an American citizen. The legislative power is vested in a Congress, consisting of a Senate and House of Representatives; the judicial power is vested in one Supreme Court and in such other inferior courts as Congress may ordain and establish; and the executive power is vested in the President of the United States. Under these provisions of the Constitution Congress has the sole and exclusive power of national legislation, the courts have the sole and exclusive judicial power, and the President the sole and exclusive executive power. And it is of vital importance to the life, liberty, and property of the citizen that neither of the departments should in the slightest degree infringe upon the powers of the others or assume powers which have not been vested in it by the Constitution.

Now, keeping in mind these universally-acknowledged principles of the Government under which we live, what is the power of the House of Representatives in the case of a recalcitrant witness who has been by order of the House committed for contempt and who has sued out from a court having jurisdiction the great writ of *habeas corpus*, upon a sworn statement that he is unlawfully restrained of his liberty?

This is the question, in a case of personal liberty, which the Representatives of the people under a free Government are called upon to answer, and it is a question of the most serious importance; for as applied in this case it may be applied to every American citizen.

Now, Mr. Speaker, under the Constitution the legislative power is vested in Congress, and not in either the House or the Senate, nor even in both without the act of the Executive. The powers of the House as prescribed in the Constitution are few and limited. It can choose its Speaker and other officers. It can judge of the elections, returns, and qualifications of its own members. It may determine the rules of its proceedings; may punish a member for disorderly behavior, and by a vote of two-thirds expel a member, and it has the sole power of impeachment. These are the powers which the Constitution ex-

pressly confers on the House of Representatives. They relate to the officer who shall preside over, and the persons who shall participate in, its deliberations, and the manner in which the questions before it shall be conducted and determined. But the Constitution confers upon Congress certain powers of legislation, and the House as one branch of Congress must of necessity be vested with such incidental power as may be necessary to perform its part in the legislation of the country. And it may by its rules or by special orders do whatever may be necessary or proper to enable it to discharge its legislative functions. But it is only as a branch of the legislative department upon some matter pertaining to legislation that it may exercise this power. It may summon witnesses, compel their attendance, and, in the absence of any statute forbidding it, may prescribe a punishment by commitment or otherwise for a refusal to answer any question which under the law the witness is bound to answer. I say, in the absence of any statute, because inasmuch as any inquiry which may be made must be limited to some question of legislation, if Congress, which only under the Constitution can pass laws, has prescribed the mode of proceeding, it of necessity takes from either branch of Congress the power to follow the inquiry in any other mode than that prescribed by law.

Now, the statute in cases like that now pending has prescribed the course to be followed. I hold its provisions to be binding upon the House. The expression in the statute of the mode of proceeding excludes any other mode. The mode prescribed must be followed.

Now, the statute in substance, so far as applicable to this case, provides that any person duly summoned to give testimony or produce papers upon any matter under inquiry before any committee of the House who refuses to answer any question pertinent to the question under inquiry shall be deemed guilty of a misdemeanor, punishable by a fine of not more than \$1,000 nor less than \$100, and imprisonment for not less than one month nor more than twelve months; and makes it the duty of the Speaker of the House to certify the facts to the attorney of the District of Columbia, whose duty it shall be to bring the matter before the grand jury for their action.

Now, this is precisely the case of the recusant witness, Kilbourn, and the direction of the statute has been promptly complied with by the Speaker of the House; and inasmuch as the statute has prescribed the course to be pursued and the punishment for the offense, by what authority, I ask, of the Constitution, either express or implied, can this House claim the right to prescribe any other proceeding or penalty? But in the course of the debate upon this subject it has been said that the statute in force previous to the revision of the laws of the United States provided in substance that in such case the recusant witness should be subject to this punishment in addition to any other penalty to which he was lawfully subject, and that it was not the intention of the revision to do more than to re-enact the law then existing; and therefore the power of the House is now the same as if the revision had not been made. The reply to this is that the law as it appears in the Revised Statutes is the law of the land. The law as in the Revised Statutes was no doubt intended in general to be the law as it was when the statutes went into effect. But these laws as embodied in the revision passed through all the formalities required for the enactment of any law under the Constitution, and the presumption is that the change in this respect was at the time intended. If it had not been, it no doubt would before this have been amended, as the statutes have been in many other instances. In any event it is the law, and binding as such until changed by legislation. The fair presumption is that it was intended to prohibit any other penalty than that prescribed by the Revised Statutes.

But, Mr. Speaker, aside from this view of the question before the House, there is another reason which is equally conclusive against the resolution recommended by the Committee on the Judiciary.

The powers of Congress over a witness are limited to questions pertaining to national legislation. The power of the House is surely no broader. The question raised by this writ of *habeas corpus* is a question of the right of the House, upon the facts upon which the House ordered the commitment, to restrain a citizen of his personal liberty. This is strictly a judicial question, to be determined by the courts. The House is in no true sense a judicial tribunal, and never ought to be allowed to sit as a judicial tribunal for a final determination of its own decision, especially upon a question involving personal liberty.

The purpose of the writ of *habeas corpus* is to ascertain whether a citizen is unlawfully restrained of his liberty. The Constitution, neither in its language nor its spirit, confers on the Senate, or the House, or Congress, the power to determine a question of this character; but in express terms excludes such authority by vesting the judicial power exclusively in the courts. It is, therefore, clearly the duty of the House to remit this question to the courts.

Mr. Speaker, in my judgment Mr. Kilbourn never ought to have been committed for contempt. He disclosed all the knowledge which could have aided the committee in their investigation, and the course of the House in the order for his commitment seems to me to have been taken without due consideration. I think that the Sergeant-at-Arms ought to be directed to discharge the witness from further custody under the order of the House passed on the 14th of March last. If without due consideration we have deprived an American citizen of his liberty, justice to him, as well as to ourselves, demands that the order should be revoked.

#### Hawaiian Treaty.

### SPEECH OF HON. N. P. BANKS, OF MASSACHUSETTS.

IN THE HOUSE OF REPRESENTATIVES,

April 10, 1876.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. No. 612) to carry into effect a convention between the United States of America and His Majesty the King of the Hawaiian Islands, signed on the 30th day of January, 1875—

Mr. BANKS said:

Mr. CHAIRMAN: It is not, sir, from any local or sectional interest on the part of the people I represent in the execution of this treaty that I venture to trouble the House with any remarks; but rather from a deep interest in the principal subject embraced in the treaty, and the still more important and higher question as to the manner of dealing with measures of this character by the House of Representatives, to which I propose to address myself.

#### ORIGIN OF THE TREATY.

It is not difficult to answer the question so much debated here, Who wants this treaty? It comes to us in the natural order of events. It does not spring from the speculations or machinations of men, nor the special interests of individuals, corporations, or particular sections of the country. It is in part a result of that revolution which is going on in all forms of government, and which at no distant day is destined to change the basis of the civilized states of the world.

It is less than ten years since the embassy from the Chinese Empire—the most remarkable that has ever visited the civilized states—was presented to the Representatives of the people in this Hall. At the head of that august embassy stood a young man who had attained a national reputation as a member of this House, and who by his courtesy, high sense of honor, and chivalrous bearing had won the respect, esteem, and affection of the people of the country. The government and people of China, disturbed by revolutionary elements within their borders and assailed on every side by foreign enemies, felt the pressure of impending disintegration and dissolution, and that empire, that for thousands of years had closed her gates and barred her doors to those whom she had regarded as outside barbarians, was compelled to abandon the policy of isolation and appeal to the nations of the earth for protection and the maintenance of her existence.

After China came Japan, from the same quarter of the world, in the same manner, for the same purpose; and here in the same Capitol her embassy, equally respected and illustrious, appealed to the Congress of the United States with an emphasis and eloquence that can never be forgotten for the preservation of their empire and the institutions of its people. And they were successful. The treaties they negotiated in this country were adopted by the civilized nations of the earth; and as a consequence of the amity and friendship thus established these two great empires were relieved from the impending dissolution which threatened them on every side, and are now as permanently established as any of the civilized nations of the earth. Their success is one of the marvels of human history. The changes that have been inaugurated in the habits, laws, and institutions of these empires, numbering between four and five hundred millions of people, are without parallel.

And now after China and Japan comes Hawaii, disturbed by the ambitious schemes of foreign nations or the native races of the Pacific, her influence undermined and her existence threatened, to ask of the American people their aid to protect her from dissolution and from destruction. This is what the treaty means that we are asked to put in operation. It is no individual or local interest which brings it here. It is the same principle which actuated and compelled the people of China and Japan to change their policy and seek protection beyond their limits and empire for their institutions and their existence as a nation.

#### THE HAWAIIANS.

The people of Hawaii are weak. We are told that the race is decaying and will soon disappear. They represent, it is true, a receding race, and they have but slight claims to the respect of the people of the world on account of their present power or their prospects for the future. Yet nevertheless they come to us for a recognition of their rights to exist as a nation, and it may be our interest, as it is certainly our duty, to extend to them such countenance or assistance as the welfare of both nations may justify. Who are they? They are the descendants of the Malays. Not a great while since they belonged to the race of cannibals. They were as low in the order and scale of being as any people of the two hemispheres, but gradually by an energy that does them great credit, and a wisdom which is still more honorable to them, they have lifted themselves out of earlier associations, and established a state upon the basis of civilization, recognizing the Christian faith, educating their people, increasing their trade, strengthening that section of the globe which is confided in part to them. And they have as just a claim to the respect, assistance, and protection of civilized states as any people on the face of the earth.



## THEIR POSITION.

The position they occupy is one of great importance. They are in the central part of the Pacific Ocean. The Hawaiian Islands may be said to be a key to that vast expanse of water which covers more than one half of the breadth of the earth, and extends from the arctic to the antarctic circles—the greatest of the oceans of the earth—that is destined hereafter to be the theater of the grandest enterprises of which the history of man has given or ever will give an account. More and more the Atlantic Ocean and the States bordering upon it are dwarfed in their power and influence, and the spirit that controls the nations and directs the forces of the earth will pass from that sphere to this greater theater between the eastern and western worlds.

There are six thousand islands and innumerable border seas in different parts of this great ocean. It is separated by geographers into three grand divisions: Malaisia, Australasia, and Polynesia. Malaisia borders upon the Indian Ocean; Australasia controls the Southern Pacific; and Polynesia, of which the Hawaiian Islands are the most important, occupy and command the Central and North Pacific Oceans. The three divisions now support twenty-one million people. But a small portion of them are in any marked degree or extent civilized; but they occupy and control a position which is destined to be of vast importance to civilization and the ultimate destiny of the human race.

No portion of the earth has a grander destiny for the future, and to no portion of its people is it more interesting and vital than to ourselves. Civilization will ultimately plant its throne there. The great discoveries and inventions that mark the epochs of human history, resulted from the struggles of the ancient and medieval empires to reach and occupy this grand center of the globe; and the nations of the East and West, imitating their example, are now silently and steadily moving to this new theater of action in the hope to win something of its future wealth, strength, and power.

We were ourselves among the first of modern states to begin this later movement; we were the first to lift its populous empires out of their self-imposed isolation, and bring them into peaceful and permanent communication with modern civilization. The pioneers of the New World opened a pathway to the shores of the Pacific, from the East westward, and drew after them emigrants from the Old World to re-occupy and hold the vacant settlements that advancing enterprise had abandoned. On their path towns, cities, and States have risen. Education, civilization, Christianity, and liberty have dispelled from the face of the continent less propitious influences, and given to the world a new hope for the regeneration of society and of man. We were the first to unite the two oceans by railways. We have commenced others north and south of the central lines, until, with the aid of our neighbors north and south of our own borders, railway explorations and enterprises from the East westward promise to be as numerous as the parallels of latitude and to cover the face of both continents from the Arctic Ocean to the Straits of Magellan.

European powers are engaged in a similar work from the West eastward. Russia has mainly completed railway and steam connection from the Black Sea to the Sea of Okhotsk, on the Pacific. The Suez Canal unites the Mediterranean and Red Seas and the continents of Asia and Africa.

The commercial world is interested in the perforation of the Isthmus of Darien, by which the Atlantic and Pacific Oceans must soon be opened to the commerce of the rivers, lakes, and seas of all nations. This development of the means of communication, transportation, and trade is to bring the active and increasing forces of the globe to the Pacific Ocean, henceforth to be the pivot of its political and commercial operations, and the treaty before us secures to us a commanding if not controlling position in these majestic movements of the future.

## THE HAWAIIAN ISLANDS.

The Hawaiian Islands occupy what may be well called the central and commanding position, the key of this commercial center to which with centrifugal forces the nations of the earth are moving. It may be of little consequence now, but in a quarter of a century the character and policy of the government that controls these islands will be of vast import to the people of this country and to the world. Now, sir, just as the Chinese and Japanese suffered from the encroachments of other nations, the people of the Hawaiian Islands have suffered and are now suffering. The governments of Europe have for a long time been looking with great interest upon these islands and have naturally desired to possess or control them. The French government at one time actually entered with military and naval forces and took possession of them, and the British government at a later period did the same thing.

The native races of the Pacific, in imitation of the great states of Europe or stimulated by them, have coveted the possession of these important islands. That policy which has prevailed in so many parts of the world with such success, which leads to the concentration of the people of the same races, has been imitated by the feeble races of the Pacific, and the people and government of Polynesia that embrace the northern part of the Pacific Ocean and for a considerable extent below the equator, have contemplated a scheme which should bring all the islands of Polynesia, of which Hawaii is the head and chief, into one central political organization under the English government, styled "the southern dominion of Great Britain." The people of the Hawaiian Islands are illy able to resist influences and

appeals having this object in view. It has been stated in the course of this debate that they have dwindled from two or three hundred thousand, as they were when visited by Captain Cook, to fifty thousand and even forty-five thousand. Their government must necessarily be one of great expense to them. They are keeping watch and ward for all the nations of the earth, and defending themselves against all comers from whatever quarter of the globe they appear. Holding an utterly isolated position in the center of the Pacific Ocean, midway in the path of commerce between the east, west, north, and south, they have been constantly the recipients and are obliged to make provision for naval and commercial visits of all nations. They furnish them supplies, they repair their ships, they administer the laws, they settle controversies between mariners and officers, and these duties entail upon the government an expense which the people are illy able to bear. They are required also from their position to maintain a respectable diplomatic and consular representation in different parts of the world. They have a minister plenipotentiary of superior character and capacity at this capital. There are more than forty *chargés d'affaires*, consuls-general, and consuls at the principal diplomatic and commercial centers, commissioned by the Hawaiian government, discharging their duties with the same fidelity and maintaining the same dignity that distinguishes the diplomatic and consular representatives of other more powerful and wealthy states. They support two hundred and forty-five schools in the islands, with a teacher for every twenty-seven children. They have organized expensive scientific surveys of that part of the world which is in their possession, now nearly completed, after the manner of our own coast surveys. A multitude of charges of this kind have brought them to the consideration of the means, and indeed to an apprehension of the absolute necessity, possibly of abandoning their purposes and position for want of means to maintain the enlightened but expensive policy upon which they have entered. And they come, sir, just as China and Japan came, to the Government and people of the United States, with a manly request for the same consideration and support that under similar circumstances we accorded with so much satisfaction and success to China and Japan. It is an appeal for the continued existence of a nation that throughout its history has struggled with unswerving heart and hope for the elevation of its institutions and its people against unexampled difficulties. It is the prayer of a race just emerging from pagan darkness to the light of Christian civilization for countenance and protection. The government of a friendly people, whose welfare is of vast importance to us, invokes a recognition of its right to exist—a right for which we, of all nations, have contended. There are no minor interests of diplomacy, commerce, or trade that might not do as well under another government, but it is the cry of a nation for its own chosen autonomy that comes to us. The suggestion of individual or trade interests dishonors the cause they represent. The vulgar clamors of sugar-planters or sugar-boilers for an increase of their profits are not heard. It is the voice of the government of the Hawaiian Islands, speaking for a people that are likely to be crushed to the earth, to be driven from their possessions upon the pathway of universal commerce on the greatest ocean of the globe, asking us to aid them.

They come to the United States, of course. Who is there but the Government of the United States that would not despoil these people? Who was there but the Government of the United States that did not desire to dismember China and Japan; and who is there except our own Government that would not gladly possess or dismember the Hawaiian Islands if it were in their power?

## THE SPIRIT OF THE TREATY.

It is not their first appeal. In 1855 they made an application of this kind; they proposed a purely commercial treaty with the Government, which was not acceptable and was not ratified. In 1867 they made another proposition more liberal, but of the same character, which failed for the same reason. Both of those treaties embraced commercial propositions alone. They gave us comparatively a small list of articles which they were willing to receive from us, and they presented a more important list of articles which they desired this country to receive from them. Their negotiations failed because the protocols were thought alike inequitable and impolitic.

Now, sir, they present a third treaty; but it is different in its character, and presents an entirely different question for consideration. One article of the treaty I will read in which it differs from the others. It is the latter part of the fourth article:

It is agreed on the part of His Hawaiian Majesty that so long as this treaty shall remain in force he will not lease, or otherwise dispose of, or create any lien upon any port, harbor, or other territory in his dominions, or grant any special privileges, or rights of use thereof, to any other power, state, or government, or make any treaty by which any other nation shall obtain the same privileges relative to the admission of any articles free of duty hereby secured to the United States.

This article is the soul of the treaty. The commercial regulations proposed are of no consequence to us whatever; they are of no importance to any section of our country or any portion of our people except those of the Pacific coast. But they are of infinite import and consequence to the Hawaiian government and people so far as they enable them by the increase of their local trade, their general commerce, the extension of their industries, and the growth of their revenues to maintain their government for themselves and their descendants.

The clause that I have read, so far as the United States is concerned, is the very soul of the treaty, and it is one of vast importance to this country and to the world as well. Gentlemen who have spoken upon this question have said that the treaty does not provide for the concession or surrender of any harbor to our Navy; that it does not authorize the construction of any forts; that it does not admit of our sending one or more regiments of troops, or one or more batteries of artillery there, and that there is no indication that they intend or even contemplate either now or hereafter the annexation of these islands to the United States.

That is all very true and very well. We do not want harbors there; we do not want any portion of our small Army there; we do not want to fortify positions or occupy forts there; we do not want to provide for the annexation of these islands to the United States; we want none of these things, and it was a wise arrangement, for which possibly we are indebted to the government of Hawaii, that a treaty is made, for the first time, I think, in diplomatic history, upon a basis which recognizes their right to possess and maintain indefinitely their own government, and at the same time secures, without cost and without peril of any future complication whatever, the protection for our States on the Pacific that every administration of our Government has asserted would be imperiled if the Hawaiian Islands should fall now or hereafter into the hands of indifferent or hostile states. All that we ask of them is that they maintain their government; that they shall prevent any nation whatever, Germany, France, England, Russia, or any other government, from getting a foothold that shall ultimately give them the possession of this key to the Pacific Ocean, and this important and vital result is accomplished by this treaty. If there is another to be found in our archives that does so much for us at so little cost I should be glad to see it.

This treaty will be remembered as an embodiment of a new principle. It constitutes an era in diplomatic history. It is a fact of signal import in the intercourse of civilized and Christian states, that we offer them the advantages which they want on no other condition than that they shall keep their own possessions undisturbed by us, and at the same time secure for ourselves a complete defense of the most exposed portion of our extended coast by a modification of our commercial regulations of no detriment whatever to anybody, and without sacrifice of principle or probity, disabuse them of any suspicion that we intend or desire to interfere at any time in any way with their possessions or their rights. No event of this centennial year, or the century that closes, or that which opens, can better represent the possible comity of nations, and the exact justice which all governments, if they choose, may attain, than the Hawaiian treaty of 1876.

#### CHARACTER OF MODERN TREATIES.

Gentlemen have said that the treaties of Christian nations are of little import and no account. The honorable gentleman from Texas, [Mr. MILLS,] in the early discussion of this question made a speech remarkable for its research and the generous spirit in which his views were presented in the discussion of this question, but his conclusion was that treaties, when they were needed, were of no authority, and that nations that made war upon each other did not care for them or regard them. But his illustrations carried us back to the beginning of this century. Three-quarters of a century have passed since the treaties were made to which he reverted, and the principles of intercourse between the nations of the earth have been substantially revolutionized in this period of time.

When Napoleon was fighting for his existence against Great Britain and her allied powers, it is quite probable—and it might perhaps be justifiable in him under the circumstances—that he disregarded the treaties with which he had been bound before that war began. And other nations may have followed his example or have set a bad example for him. But they have expiated their acts, one and all. History has pronounced its judgment upon this man and these states; and the policy by which they were led is no longer the policy of the civilized nations.

Treaties now are substantive facts. The treaty which China made first with the United States and then with the other treaty powers is stronger for her protection than any navies or armies she could ever gather, discipline, or command, with her 400,000,000 of people. The treaty which Japan made with the United States and afterward with other governments will do more for the protection of that empire and the integrity of its territory than all the navies and armies she could organize, discipline, and command.

There is a public opinion, now everywhere recognized and everywhere influential, by which all civilized states are constantly governed. What more remarkable than the appeal to that universal public sentiment, which constitutes public opinion, made by Prussia at the beginning of her late war with France? Treaties now are recognized as material facts, potential in the adjustment of international controversies. As physical forces, they represent what there is of moral power in the administration of international law.

Just south of us, within a couple of days' sail of the very heart of this continent, there are eight hundred islands, every foot of which belongs to the governments of Europe that were inimical and hostile to us during more than four years of war, and yet, being protected by treaties with the United States, during the war there was never the slightest interference by this Government with their rights. These islands, as every man knows, on whichever side he was, were

made not only the depots but the distributing points of the munitions of war during the whole of that terrible and bloody struggle; every one knew that ships, privateers, arms, and ammunition were concentrated there; but, protected by their treaties and disclaiming any interference in the contest, these governments were never disturbed in their ordinary intercourse with the United States in the slightest degree.

The treaty-making power is a great power. It is one of the potential influences that control the world. More and more, as public opinion is enlightened and concentrated, this exposition of public sentiment in the intercourse between Christian and civilized nations in the form of treaties will be extended and observed. The obligation and sanctity of treaties is a matter of daily recognition among governments. They are not only equal to armies and navies, but they displace physical force, substituting therefor the principle of arbitration, which is an appeal to the justice of an enlightened public opinion.

#### ITS RESULTS AND ITS DEMANDS.

We have, therefore, accomplished by this treaty all that we desire for the protection of our interests in the Pacific Ocean. It is an alliance, a protection for an exposed frontier, an outpost in the center of the Pacific, in friendly hands, for our defense, which will continue as long as we choose to maintain friendly relations with the Hawaiian government. There will be no interference on the part of other nations. Great Britain, France, Germany, or any other power that desires to obtain a naval position in the Pacific Ocean or elsewhere, and might under certain circumstances very safely and readily attack and dispossess the Hawaiians of their islands, will find that below them and above them is this treaty stipulation and relation, which secures us against the transfer of these islands, either by treaty or by conquest, to any other power without our express or implied consent.

It does not mean that we are to go to war for the protection either of their interests or our interests; nothing of this kind is implied or understood. The very fact that these islands, by the execution of this treaty, are deprived of the power to transfer their territory, or any privileges incident to it, to any other nation, makes it impossible for a foreign state to get a clear and unquestioned title, either by treaty or by conquest, over these islands. The treaty stipulations of the United States are as good against conquest as against a cession by treaty. It does not call upon us for an exhibition of force or any violence whatever. It is a legitimate title, made in the interest of peace for a valuable consideration, of which we cannot be justly dispossessed by any nation without our consent, and sooner or later our claim would be recognized and acknowledged by all nations; and upon appeal to them the universal judgment of men would be that no nation could take a title to these islands, either by purchase, as against the United States, or by conquest, as against the Hawaiians, without inexcusable injustice to one or the other of these contracting parties. Both would be interested and consulted in any change, either by agreement or force, and the consent of both would be necessary to a transfer in either form.

It is for that reason that I say this treaty is a memorable event in the intercourse between civilized nations—an era in diplomatic history. Why, then, should we not, under circumstances so favorable as these, seal with our approval these negotiations, and give to this treaty the same effect between each government and their subjects that it now has as a covenant between the high contracting parties; for as between them, without our intervention, it is, according to the Constitution, the supreme law of the land. Gentlemen say that there are serious objections to it, and a principal one seems to be a loss of revenue.

#### THE QUESTION OF REVENUE.

Mr. Chairman, the principle embodied in the fourth article of the treaty dwarfs, as I have said, all other considerations in regard to it. Here is a principle which will preserve the interests that we have in the government of the Pacific Ocean without any outlay of money or any expenditure of strength on our part. All that it does is to assure us that at the end of a quarter of a century, when the destiny of this part of the world may have been more completely developed, our successors will not then have discovered that by our fault the interests of this country were surrendered, abandoned, betrayed by its rejection.

But let us consider the question of revenue. The propositions in regard to the revenues to be derived from these islands, which have been presented by different gentlemen, especially by the honorable chairman of the Committee of Ways and Means, [Mr. MORRISON,] and also by the minority of the committee in their report on this subject, are based entirely upon the present condition of things. Whether upon that showing the revenue interest is for us or against us, I will not say; but this much I will say, that the present condition of trade between this country and the Hawaiian Islands is no proper basis upon which to calculate our loss or our gain. There is an influence and power which will be engendered by the enterprise and vigor of our people as compared with that which now controls the commerce of the islands, which will change instantly and largely the balance of trade as it may now exist, giving us always the advantage.

#### RECIPROCITY AND ITS EFFECTS.

Look at the condition of trade between us and the Canadas twenty-two years ago. The reciprocity treaty between us and Canada of



1854 found us with an export of but \$1,500,000 from the United States to Canada, and we imported at the same time from that country \$10,840,000. This balance was against our agricultural products—a very disadvantageous showing for our farmers—particularly for the farmers of the West, who were most interested in this matter. Breadstuffs were coming from them to us in the ratio of 9 to 1 instead of going from us to them in the same ratio. In 1863, however, we imported from the Canadas but six million dollars' worth of breadstuffs and exported fourteen million dollars' worth to that country. The export from Chicago in 1854, the first year of the treaty, was less than \$13,000,000. In 1864, it was \$41,000,000. We had \$30,000,000 value to buy of them and Canada had but \$3,000,000 to sell to us. Yet in ten years under the operation of that treaty, imperfect as it was, we sold to them more than they sold to us. The lumber product of the United States in 1864 exceeded \$100,000,000, and the highest import of lumber we had from the Canadas in that year was less than \$30,000.

So we say that the interchange of trade, the removal of restrictions to commercial intercourse, is constantly in our favor as against any nation with whom we have yet been brought in contact; and it will be much more for our advantage in regard to trade between Hawaii and the United States than with the Canadas in proportion to the importance of the interests that are involved.

Gentlemen ask what reciprocity can exist between 40,000 people on the one side and 40,000,000 on the other. Mr. Chairman, the reciprocity is exactly the same, as just and as perfect, as it would be between 40,000,000 on the one side and 40,000,000 on the other. They take from us all that 40,000 people can receive and they transfer to us all that 40,000 have to send. The disparity of population does not affect the result. So far as the reciprocity extends, it is as perfect as it would be if each party represented 40,000,000 people.

Let us look at the question of revenue as stated by these gentlemen on different sides. It shows a loss on our part of \$456,000 of revenue on the imports of last year as the result of this treaty, chiefly if not wholly upon the duty on sugar; and if the growth of sugar should increase as they say it will, and reach ultimately 50,000,000 pounds per annum, the loss would be \$1,200,000 each year, and at the end of seven years \$10,000,000. I do not think I misstate or misrepresent in any degree the argument of gentlemen who have presented these figures. But, sir, this revenue upon the increased product of sugar—\$1,200,000 a year and \$10,000,000 for seven years—we do not now receive, and therefore we do not and cannot lose it. We cannot lose what we have not. If we defeat the treaty, we shall never receive this \$1,200,000 a year and this \$10,000,000 for seven years. We need not trouble ourselves very much about losses which it is not possible for us to suffer, and of which, if this advice is taken, we shall be in no danger whatever. We cannot lose their \$10,000,000 nor this \$1,200,000 upon the increased product, because if the treaty be rejected it cannot and will not exist, nor shall we lose the \$456,000 of revenue on the first year, because, as I have said, it is assumed as the basis and origin of the treaty that the Hawaiian government will be unable to maintain its separate and independent organization upon its present resources for any great length of time. They will be compelled to make arrangements with other governments—with Germany, France, or Russia, or with Polynesia—and receive from them the advantages of trade which we refuse them, with loans of money or other advantages indispensable to the perpetuity of its government, sacrificing its independence, and our security therefor. They will be compelled to merge with them, and with that will go their trade as well as the political influence and the territorial possessions of that government. We cannot drive them from us and keep their trade, and we shall lose the \$456,000 in duties which we now receive. We lose nothing, therefore, by giving effect to the treaty, and we may gain in the same proportion as in former relations with the Canadas. The increase of wealth and trade is more important than the duties imposed on commerce with other nations.

Gentlemen will see then that in regard to the first item of loss, if we refuse to give effect to the treaty, we lose it any way; and that in regard to the increased product of fifty million pounds of sugar, the yearly revenue of \$1,200,000 and the \$10,000,000 in seven years will go the same way, in company with the loss of other things we never had.

But, sir, the fact is not as it is assumed to be. If this treaty is carried into effect, the trade between these islands and the United States will be largely increased. The very exceptions that have been made by the opponents of this treaty in regard to the items of clothing, machinery, and some other things of that sort, are the very items which strengthen the interest and power of the government of this island. We have nothing to gain by making a sharp bargain with them. They give to us the advantage of their possessions in our interest and for our protection for the next quarter of a century if we choose to continue the treaty; and if by any little importation of clothing, machinery, or other articles of that sort they make a little money, it is for our benefit more even than theirs.

But the fact is not as stated in that regard. The tariff of the Hawaiian government is but 10 per cent. upon their imports, while ours ranges from 70 to 125, or more; I do not know what it is. On many articles it is something enormous. Therefore the continuance of this wholly unimportant duty of 10 per cent. upon some articles in which for the present they are interested is of no account whatever

in comparison with the gigantic assessment of duties which are paid to us. Thus, looking at the question of revenue, it does not seem to me that it possesses any weight which for a single moment ought to lead the House from its duty.

#### MONROE DOCTRINE.

They say there is another principle which will protect our interests in that quarter of the world apart from this treaty and any advantage or friendship which it may secure for us from Hawaii. What is that? It is the Monroe doctrine. Now the honorable gentleman from Louisiana [Mr. GUNSON] spoke against the principle of the Monroe doctrine as applicable to this measure, in the belief no doubt that its friends had relied upon some undefined advantage which it might give their cause; but I have not heard one of them speak of the Monroe doctrine in support of the treaty. On the contrary, whenever mentioned, it has been by its opponents. They assume, for example, there may be some detriment to this country and its interests if the islands should fall into the hands of indifferent or hostile nations; that then the spirit of Monroe, or the Monroe doctrine, is to be applied in some undefined manner to restore to us the advantage we ourselves by our own fault have discarded and lost. The honorable gentleman from Texas [Mr. REAGAN] mentioned it in that way. The honorable gentleman from Pennsylvania [Mr. KELLEY] spoke of it with great unction in the same light. He went so far as to enumerate the means, the ammunition by which this Monroe doctrine was to be applied to recover territory which by our fault had been repelled and driven from us into the hands of our enemies. He said the rebel yell in unison with the songs of the Union would be heard together urging the people to the recovery of that which they had thrown away for the purpose of getting it again under the instrumentality of this novel application of the Monroe doctrine.

But I do not think that will happen, sir. In the first place, taking the utmost possible latitude of the Monroe doctrine, it is scarcely applicable to this particular possession. The utmost stretch of delineation which has been given to that indefinite political principle is to say that no European nation should be allowed to get a new foothold upon any territory in this hemisphere. Well, sir, I suppose the Hawaiian Islands must be considered as within this hemisphere, barely so, no more. But the Monroe doctrine never did apply and never will apply to any territory, wherever situated, which we ourselves reject and drive from us, disregarding interests and friends, into the possession of foreign and hostile governments. There is no interpretation of the Monroe doctrine that will give us the control of a country we have lost by our own neglect, by our own imperfect anticipation of the necessities and destiny of the future. Therefore we have no hope if we let these islands go in the application or success of the Monroe doctrine to cover our folly or recover our losses.

But gentlemen have said if Great Britain, for example, takes these islands, they are going to attack the Canadas. They give up to Great Britain the possession of the islands in the first place, and then make war upon her in another part of the world. That would be worth considering if we had not tried the experiment. Every Yankee knows there was one man who did give up an important military possession of this country and who also attacked the Canadas, and we make as little by the betrayal of the country and the surrender of its military position as by his attack upon Canada; and it will be the same now. We have no hope of advantage to be sought in this manner.

Mr. Chairman, the only remedy for us is to enforce our rights when we can—and while we have the opportunity, to make our relations with the people and government of Hawaii so strong as to secure them in the possession of their territory, which is all we want, and thus to make it impossible for other nations, either by conquest or by purchase, to take from them their possessions or from the United States the rights they claim, which is that those islands shall remain in the hands of the people to whom they belong.

#### THE SUGAR DUTY.

Then it is said the repeal of this duty on sugar of two and one-fifth cents per pound is a bounty to the sugar-planters of Hawaii. It is scarcely so. It is no bonus; it is no advantage to them; and the sugar-planter does not get one dollar more for his crop transported to California or to the Pacific coast with the duty removed than he would with the duty maintained. The duty is paid by the people of the Pacific States. If the price of sugar falls, they have the advantage of it, and the money remains in their pockets. The income and profit of the planter are precisely the same one way or the other.

The only advantage to the Hawaiians is that they can increase their crops. They will find a larger market in the Pacific States and therefore they can grow more sugar, they can cultivate more land, they can employ more labor, and the position of all parties is improved with the increased prosperity of the country. The duty there or here or anywhere else is paid by the consumer, and not by the producer or exporter. Therefore we have nothing to lose in that way, but, on the contrary, much to gain. The people of the Pacific coast are benefited by the remission of duties.

#### THE PACIFIC STATES.

And, Mr. Chairman, have not the Pacific States some claim upon us? Is there any portion of this country more isolated from the great expanse of the North American continent than the people of the Pacific States? You heard the honorable gentleman from Penn-



sylvania [Mr. KELLEY] speaking with an air of triumph on another question some time ago of the advantages which the States of the Mississippi Valley had in respect to immigration and the increase of population and wealth over the people of the Pacific States. It was because the immigration of Europe came to the Mississippi Valley and staid there. The homestead law, it might almost be said, is limited in its effect westward to the Mississippi Valley. It brings not many emigrants from Europe to the Pacific States. By and by, if we are wise enough, we will extend the operation of the homestead act, and give to the Pacific slope the advantages of immigration and the increase of population and wealth which the Mississippi Valley has so long enjoyed. And I hope even that this House will be willing to make such an extension of the principle of that act.

The people of the Pacific States have labored under great difficulties, but they have done what they could to increase the prosperity of the country. They stood by us in the hour of peril. It was the Pacific slope that for a long time held the balance of the Union in favor of its people and its Government. If they had gone against us, as it seemed possible they might, we are scarcely able to believe that the contest would have ended when it did; and surely no man that loves his country and rejoices in its prosperity and permanence will ever cease to be grateful to the people of the Pacific slope. For them and for the Government the commercial features of this treaty are infinitely better than the treaties of 1855 or 1857, and neither Mr. Guthrie, Secretary of the Treasury under President Pierce, nor Mr. McCulloch, Secretary of the Treasury under President Johnson, discovered in those measures any disadvantage to the financial interests of the United States, nor will they suffer in the slightest degree under the present treaty. And now we talk of the remission of two cents and two-fifths of a cent per pound on the sugar that they get from the Hawaiian Islands as an injury to the country!

WHAT LOUISIANA NEEDS.

The honorable gentleman from Louisiana [Mr. GIBSON] spoke for a quarter of an hour on the theory that this treaty would give a bonus to the sugar-growers of Hawaii, when in fact it does no such thing. He did not consider it as of any account, not even worth the mention, that it gave some advantage to the people of the Pacific States and did him or his constituents no harm. Sir, there is no State in this country, not even Massachusetts, for which I have a kinder feeling than for Louisiana and its people. I know their interests, and I was not surprised, nor disappointed, nor grieved when I saw the gentleman standing up defending and maintaining those interests, as he ought to do while he is their representative. But I might say to that honorable gentleman that which the people of Louisiana most need was not suggested in his speech upon the treaty. What they want is protection of their sugar lands from the overflow of the Mississippi, which the Government of the United States alone can do, and which well done will cost us at a day not far distant forty or fifty million dollars. But now, when we are pleading for the execution of a treaty that gives us the control of the Pacific Ocean and that puts into our hands one of the most vital elements of national defense in that quarter of the world, he comes to us with a groan about a bonus of two cents and two-fifths of a cent per pound to the sugar-growers of Hawaii which they will never receive, never suggesting what is the necessity as well as the demand of the people he represents, and forgetting the advantages the people of the Pacific coast derive from the treaty, who must in the end tax themselves for the protection of Louisiana. He will find better means of protection for the vast interests of his constituents elsewhere than were suggested in his opposition to the treaty.

But, sir, they say that this treaty interferes with the revenue and with the products of the Gulf States. What the sugar-planters of the Gulf States need I have already stated. But I do not understand, apart from this, that there is any interference with their interests. The very first question I asked of the honorable gentleman from Texas, [Mr. HANCOCK,] who is a member of the committee, was whether this treaty would affect injuriously the sugar-planters of Louisiana; and his reply was instant and decisive: "We have examined that subject thoroughly in its bearings, and we do not find there is a pound of sugar that goes from us to them or comes from them to us."

THE FUTURE OF THE PACIFIC STATES.

Well, now gentlemen say that although sugar may not go there or may not come here from there, yet that refined sugar will do so; but that is not true. The Pacific States will increase in population; that portion of the country which now has but a million and a quarter or less of people will possess the vigor and force of fifteen or twenty million people. They have the wealth to sustain that population, and when the varied interests of the Pacific and the gigantic States upon its borders are developed there will be a population on the western slope of the United States of not less than 20,000,000. There will be then as now a market for the sugar that comes from Hawaii and a demand for all that is refined in California.

ADVERSE INTERPRETATION OF THE TREATY.

There is one objection made by the minority report which strikes me with surprise, or would do so if I had not found how easy it is for one man to differ in opinion with another about very common matters. The report of the minority of the committee, upon page 5, makes an objection to the treaty that "it prevents the Hawaiian King from making any lease or disposition or creating a lien upon

any part of his dominion, or granting any special privileges or rights of use therein. But it does not exclude him from giving equal privileges and use to every other nation with ourselves. Nor does it forbid a treaty by which any other nation might purchase such special right." For some time I could not comprehend this; but I saw after a while the distinction set up between that which is *special* and that which is *equal*. But it is a difference that appertains to words only, and does not touch the powers conferred by the treaty. Every grant made by treaty to any state is, in the nature of things, a special grant, because the treaty itself is a special contract between specified parties for a special consideration paid by one to the other. The King cannot, therefore, grant to any other government by treaty equal privileges with those secured to the United States, because the grant itself would be a special grant, whether equal or unequal, to other privileges conferred by other treaties, and it is for that reason precluded by this treaty. But it is said by the minority that while the King agrees not to grant any special privileges to any other nation, the treaty does not exclude him from giving to other nations equal privileges with those secured to the United States, "nor does it forbid a treaty by which any other nation might purchase such special right." But the treaty itself removes this objection. The King binds himself not "to lease or otherwise dispose of or create any lien upon any port, harbor, or other territory in his dominion." And no nation can take, either by gift or purchase, from the King that which he has no power to dispose of, alienate, or grant, whether it be equal or unequal to the privileges conveyed to the United States. Such a conclusion is a graceless descent from argument, and it would seem to be unnecessary to put the names of so many strong men to so weak a criticism.

[Here the hammer fell.]

Mr. STEVENSON. I move that the time of the gentleman be extended.

No objection was made.

Mr. BANKS. I thank the House for its courtesy, and hope not to trespass much longer upon its kind attention.

REVENUE FRAUDS.

There is another objection of some importance. It is that the treaty will be subject to frauds in its execution. It is said that it will be impossible to prevent frauds in the exportation of sugar from the Hawaiian Islands; that all the sugar grown in the other States of the Pacific will be brought into the Hawaiian Islands and thence exported to the Pacific States free of duty. They forget that the people of this country have now, or will have at some time hereafter, both the means and capacity of executing their laws. And the treaty itself by express provision gives to us the power for the most complete and thorough execution of the laws under this treaty. The third article of treaty is as follows:

That the evidence that the articles proposed to be admitted into the ports of the United States of America or the ports of the Hawaiian Islands free of duty, &c., under the first and second articles of this convention, are the growth, manufacture, or produce of the United States of America or of the Hawaiian Islands, respectively, shall be established under such rules, regulations, and conditions for the protection of the revenue as the two governments may from time to time respectively prescribe.

Now whatever rule we require for the protection of our revenue they must give to us, or the treaty is at an end. The very moment that the Hawaiian government dissents from any demand we make as to the manner in which our interests shall be protected, that very moment the operation of the treaty ceases, because it cannot operate a day or an hour except with the consent of the two governments.

THE SOVEREIGNTY OF THE ISLANDS.

The opponents of the treaty seem to fear that the sovereignty of these islands may pass into the hands of the feeble races of the East. Asiatic laborers, they say, are to usurp this key to the vast interests of the Pacific, and the overcrowded empires that will occupy its coast; the natives of Malaisia, Australia, Polynesia and the coolies of Japan and China will overpower the Caucasian race, and their numbers counterbalance its superior capacity and character. It is an error. A just comparison of these races will show the impossibility of such a result. No race can more easily adapt itself to the necessities of the situation, or is less likely to be absorbed by the power of others, than our own. It is our line of business; we have followed it from the creation of our Government. Our ancestors began it a long time before these people ever thought or dreamed of seeing us. There is no population of the globe that can stand before the Anglo-Saxon pioneers. See what our own pioneers have done. And may we not hope, as the *arant-courriers* of western civilization, to compete as successfully with the native races of the Pacific as with other peoples whom we have encountered? We mistake the character of our own people, and overrate in a great degree the importance of the native races of the East.

THE WHALE FISHERY.

If we seek to know who is to control a country, our own or any other, we must ascertain the character of its people and the business in which they are engaged. I shall ask the attention of the House for a few minutes to the legitimate and natural business of the Hawaiian people. In the first place the Hawaiian Islands must be one of the principal centers of the commerce of the Pacific. Among other important interests is the whale fisheries. That interest has been of vast importance heretofore, and is to be of increased im-

portance in the future, because there is now a market for the bone of the whale, nearly equal in value to its oil.

For some years the whale fishery has been partially suspended, but it is now gaining strength. The seas of the north most frequented by the polar whale have been restocked, and there is an immense supply of whales where ten or fifteen years ago it was thought to be exhausted. We never had an opportunity to study the habits of young whales and the comparatively unknown laws of their existence and growth on their breeding-grounds, near the Japanese Islands and Korean Seas, where they find the shallow waters necessary to the delivery of their calves. They cannot live, it is said, out of this narrow belt where they have been found. But these privileges will be accorded at no distant day, and the information thus obtained will furnish the means not only of tracing the growth of these monarchs of the seas, but of protecting them as we do now the seal and other fisheries in the Atlantic and Pacific from wasteful and swift destruction. New hunting-grounds for this majestic game will no doubt be found in the Arctic and Antarctic Oceans. The floating ice-fields afford them shelter, and they will increase as rapidly as they are captured. We did not discover the polar whale until the southern whaling-grounds had been exhausted. These gigantic fisheries must constantly increase in importance and value. New uses are found for its varied products. The commercial and mechanical uses for animal oils will multiply with the constantly growing necessities of civilization, and this branch of industry must expand with the growth of empires and the multifarious wants of associated life. None but the bravest and strongest families of man can engage in its contests or compass its triumphs.

We took millions of barrels of oil from the polar whale in the Sea of Okhotsk until 1867, when the Russian government forbade us to enter there. Those seas having been undisturbed for nine years by the harpoon of the whaler, will be re-opened by the Russians or some other people, and so will all the seas adjacent to the Pacific Ocean.

The minor fisheries, too, are of equal importance. Halibut, cod, herring, salmon, are as multitudinous as the sands of the desert in the North Pacific and its border seas and rivers. All the shell-fish known to the Atlantic, with other superior varieties, are found in limitless quantities on the Pacific coasts. There are few fish, it is said, available for salting or for commerce on the western coasts of the Pacific except in the Sea of Okhotsk, where the cod is not found in great quantities. The eastern coast has the finest fisheries of the globe. Japan and China offer an unfailing market for fish. Cattle are scarce, meat but little used, and fish is one of the principal articles of food. The same is true of the Hawaiian Islands and other parts of the Pacific. We know what the Atlantic fisheries have done for England, France, and the United States. The Pacific furnishes a basis for this industry on an incomparably grander scale, and the Hawaiian Islands are the best position for its development to be found on the globe. The repair and construction of vessels, the purchase of supplies, and the exchange of commodities will create a permanent and prosperous trade. The whale fishery will be carried on in vessels built in its own ports expressly for this pursuit, and steamers employed for transportation in place of the sluggish sailing-vessels that require from three to five years for a voyage.

#### THE OCCUPATION OF HAWAIIANS.

Honolulu must become a financial city as important as New York, Philadelphia, or Boston were at the opening of this century. The repair and construction of ships and the purchase of supplies will be paid for in drafts on the principal commercial cities of the world. The *Danau*, an Austrian man-of-war, repaired last year at a cost of \$100,000, was paid for in drafts on Austrian bankers.

#### TIMBER.

The country between the Aleutian Islands and the Sierras, including British America and the Pacific States, embraces nearly all the valuable timber found between Alaska and Patagonia. The South American coasts, Hawaii, New Zealand, and Australia have but little timber suitable for ships or dwellings. They are supplied from Washington Territory and British Columbia, and is a principal part of their trade.

Hawaii, in the very center of this trade, becomes a natural maritime station for the navies and commerce of all nations. Vessels constantly arrive for repairs. They find there the best materials and good mechanics. The richest man in Hawaii is a ship-carpenter, who went there as a common laborer. His name is Robinson, possibly a descendant of the Crusoes. The whaling fleets have no other resource. It is a half-way station for vessels between the United States and South America, Australia, Japan, China, and India.

The maritime decisions of the Hawaiian courts are sought and respected by all nations. Nearly all the commercial states are represented by diplomatic or consular agents, who live in good style and furnish employment for small traders, mechanics, and laborers.

The missionaries have expended a million and a half dollars there, and their influence radiates through all the nations of the Pacific. They have checked the desolating influences that would have swept away its native populations and preserved them for the yet unknown beneficent purposes of God.

There are many varieties of indigenous and foreign products which, when better known, will furnish materials for manufactures and commerce; there is an infinite variety of fibers, unknown to commerce, in

the six thousand islands of the Pacific that are used by the natives for making nets, cordage, fish-lines of great strength, clothing, and paper. The ramie plant grows everywhere spontaneously and luxuriantly.

The smaller trades must, of course, follow in the wake of these general pursuits. There are iron-founders, engineers, mechanics, merchants, professors, and teachers profitably employed. People from nearly all the European states have made it their home for life. There are five hundred Portuguese, mostly small farmers, who furnish household supplies and all tropical fruits and grow the best coffee known to commerce. Four of the islands are used for grazing, and produce fine beef, mutton, and wool in abundance.

The government is engaged in an accurate topographical survey of all the islands with the same care and by the same methods as the Coast Survey of the United States. Surveys have also been made under the auspices of the United States from San Francisco, and San Diego to the Hawaiians, and thence will run to Australia, Japan, China, the Indies, and Europe. The northern route by the Aleutian and Koorile Islands has been found impracticable for the present.

Who is to be charged with this new development of the Pacific, and who will control its varied and important interests? That is the question. The Siberian of the Russian coast and the Esquimaux of the American are incapable of this work. The native Malays, Australians, Polynesians, and Hawaiians must have been created for a less important destiny. The Japanese, Chinese, and Koreans are undoubtedly capable of rapid and great improvement, and will become great and controlling states, but it is scarcely possible in our day. Who, then, is to direct the rising and overspreading destinies of the Pacific empire in the future, if it be not that race to which we trace the present civilization? It is to that race that we must look for the direction of these new and grand issues of coming generations, and to its chiefs alone will be intrusted the possession of the Hawaiian Islands, the central position of this new theater of human enterprise and the key to its success and power.

#### COMPLICATIONS WITH OTHER STATES.

What danger, sir, is there of our being involved in complications with other nations in regard to these islands as a result of this treaty? In my opinion, none at all. If we had a harbor, forts, or regiments there, if we contemplated annexation of the islands to the United States, there might be danger. But it is the merit of this treaty that it relieves us of all danger of these complications, no matter what may occur, whether it be the conquest or sale of these islands either to Great Britain, France, Russia, Germany. There is no occasion and no call for us to interfere at any time, under any circumstances, for any purpose whatever. We have only to say to conqueror or purchaser, "The islands you have taken from the Hawaiians are not theirs to give. You cannot take them by conquest nor by purchase. We appeal to the public opinion of the world against your violence and rapacity." Under this treaty we are less liable to perilous complications with other nations than we have been since our independence was proclaimed. There is no danger whatever to be apprehended in that regard.

Now, Mr. Chairman, I have spoken longer than I had intended. This is an inviting subject, one of great importance, as well as great interest; and I feel I am trespassing upon the time of my honorable friend from Virginia, [Mr. TUCKER.] I will leave the discussion of the subject now if he desires to go on, or if he chooses to let me go on now and make his speech in the morning I shall be very glad to aid his friends in giving him the opportunity. There are one or two points I should be glad to consider relating to another branch of the subject.

Mr. WOOD, of New York. I desire to close this debate to-day if possible, and had made arrangements with the chairman of the Committee on Appropriations to transfer the session of to-night to Thursday night, so that gentlemen might know that we intended to take a vote on this bill before the adjournment to-day; but if the House desires that this subject shall go over, after the gentleman from Massachusetts shall have concluded his speech, so that the gentleman from Virginia may speak to-morrow, then, if it can be the understanding that this bill shall be the special order after the reading of the Journal to-morrow, I shall be very glad to have a change of the arrangement already made.

Mr. RANDALL. I think that the arrangement first suggested by the gentleman from New York [Mr. WOOD] had better be made. To-morrow the steamboat bill will come up. I therefore concur in the suggestion of the gentleman that the session of to-night be dispensed with, provided it be understood that this bill shall be disposed of finally to-night. I understand that we can reach a conclusion of this subject about half past five o'clock.

Mr. WOOD, of New York. As I understand the position of this bill, the only remaining speech, after the gentleman from Massachusetts shall have concluded, will be made by the gentleman from Virginia, [Mr. TUCKER.] I shall then propose that the committee rise and report the bill to the House *pro forma*. I shall then demand the previous question and, after detaining the House only a few minutes myself, will ask a vote upon the bill.

Mr. BANKS. If the committee will give me till four o'clock I will finish what I have to say.

The CHAIRMAN. Any arrangements that may be made in Committee of the Whole will require the confirmation of the House in



regular session, though the understanding may be had in Committee of the Whole.

Mr. RANDALL. Then the committee had better rise. Under existing arrangements the Speaker would have to take the chair at half past four o'clock and declare the recess.

The CHAIRMAN. The committee can either rise now to make the arrangement or after the gentleman from Massachusetts shall have concluded.

Mr. BANKS. I would like to finish what I have to say on the subject. I want to touch upon another topic, the duty of the House in regard to treaties; the most important question of all.

Mr. TUCKER. I desire that my friend from Massachusetts shall not feel himself in the slightest degree restricted by any reference to my convenience. I should be very glad to hear him in full upon this subject. It is an interesting one, and I should be pleased to listen to all he has to say before I address myself to the subject.

#### EXECUTION OF TREATIES.

Mr. BANKS. I will add but a few words. It was my design to speak upon the duty of the House in regard to the execution of treaties. The time to which I have limited myself does not enable me to speak on that subject fully; but I have this much to say: that it appears to me we are taking a new departure in the politics of the country; we are entering upon a new career; and, if I mistake not, there is a sentiment here different from that which has governed the House heretofore. During the eighty years and more since the organization of the Government there have been nearly six hundred treaties ratified by the United States with different nations, and this House has never refused in a single instance the legislation necessary to put them in operation.

It looks to me as though we were going to enter upon such an experiment, as if gentlemen were acting together for that purpose; and therefore I wish to say a word or two now or hereafter upon that subject. But I will not trespass upon the patience of the committee. [Cries of "Go on!"]

Mr. Chairman, there is an honest difference among members of the House as to its duty and its rights when called to enact laws necessary to give effect to treaties. That difference of opinion has existed for more than three-quarters of a century. It has been said on one side that a treaty made by the President and Senate was the supreme law, and it was the duty of Congress to pass such measures as might be required to put it in operation. It has been held on the other side that if any legislation were required upon subjects over which the Constitution gave to Congress exclusive jurisdiction, the House would have the same right to withhold its assent in the case of a treaty as with any other subject of legislation. Every important treaty has raised this question, and it is a question for us now to consider. It may be assumed that the language of this particular treaty, not found in any treaty heretofore made with foreign nations recognizes the right of the House to enact or reject the laws necessary to put it into operation. But I do not think so. The honorable gentleman from Pennsylvania [Mr. KELLEY] said in his speech some days since, with emphasis, that he was relieved from all difficulty in regard to his duty upon this treaty, because it was provided in the treaty itself that it should not be promulgated until the laws necessary for its execution were passed, the House participating of course with the Senate in the enactment of those laws. But he was in error. The treaty is ratified by the Senate and has been promulgated and proclaimed as law by the President. It bears the seal of the Government of the United States. It is a contract with a foreign nation. It is a compact with an independent state. It is a solemn covenant, "witnessed by the Almighty God," as John Quincy Adams said of a former treaty with France, and is now, as between the governments that are parties to it, as complete and perfect as any treaty is or can be. I know very well the courts cannot execute it and the custom-house officers will not be free to regard the treaty as superior to the statutes, although, in the language of the Constitution, it is now the supreme law of the land.

Mr. KELLEY. Does it not contain an express clause that it shall not go into effect until approved by the Legislature of Hawaii and the Congress of the United States?

Mr. BANKS. It contains such a clause, but it does not say that it shall not be promulgated until such laws are passed, as the honorable gentleman stated the other day.

Now I wish to read this proclamation. It is in the last paragraph of the treaty, and is as follows:

Now, therefore, be it known that I, Ulysses S. Grant, President of the United States of America, have caused the said convention to be made public, to the end that the same and every clause and article thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

It is therefore proclaimed, and the Congress of the United is required to observe and fulfill every clause and article thereof, as the supreme law of the land.

But it does not go into effect, as the honorable gentleman has said, until certain acts are done by Congress.

The fifth article provides that the present convention shall not take effect until approved and proclaimed, &c., and "not until a law to carry it into operation shall be passed by the Congress of the United States of America." It is not to go into operation until then. But

it is this day, so far as the two Governments are concerned, as solemn a covenant as if it had been in operation a hundred years, and obeyed by every court and citizen of the land. Nothing we can add to it can give it greater validity as a compact or covenant with the Hawaiian government.

But it does not take effect until a law shall have passed; that I understand. Mr. Chairman, the Constitution requires us to vote a salary for the President. We might put a clause in a bill for this purpose that it should not be paid unless the Senate concurred in our action, or until the President had approved it. Would it make any difference whether or not the law contained such provisions? Certainly not. The Constitution requires the concurrence of the Senate and the approval of the President before a measure of the House can become a law. The payment could not be made without such concurrence and approval. It is, therefore, surplusage. Suppose we said in the river and harbor bill, which we just now passed by suspension of all the rules, "this act shall not take effect," or "this money shall not be paid," until the Senate concurs and the President approves it. Would it make any difference in the operation of that act? Would it be any satisfaction or dissatisfaction to my friend from Pennsylvania if these words were incorporated into every statute we pass?

Mr. KELLEY. I do not see the analogy.

Mr. BANKS. I know the gentleman does not see the analogy, but the analogy exists nevertheless, and the provision is inoperative in the treaty as it would be in the statute. It is inoperative because it does not change in the slightest possible degree the character of the act or the treaty nor affect in any way the duty or power of the House. It is surplusage. While I have not said anywhere in private or in public that a treaty could go into operation until the necessary laws were passed to give it effect, I maintain that these words in this treaty are of no effect whatever. They do not affect in any way the character of the treaty or the duty or rights of the House.

Mr. KELLEY. If the position of the gentleman from Massachusetts be sound, why is the House called upon to vote on the treaty and why is he now speaking on it? If it is already an effective treaty, is not his speech surplusage?

Mr. BANKS. I do not propose to defend or apologize for my speech in any way whatever. It would be impossible for me to speak to the comprehension of the gentleman from Pennsylvania. I know that very well. But let me say to him that this is now a treaty, a solemn covenant; that the United States and the Hawaiian government as treaty-making powers have done all they can ever do to perfect it; but that it does not execute itself and cannot go into operation until laws shall have been passed for that purpose.

Mr. KELLEY. Then would it not be well to abstain from voting on it, because you have your treaty?

Mr. BANKS. That is exactly what the gentleman from Pennsylvania proposes and would be glad to do. That is what we desire to prevent if we can. We desire that this treaty shall go into operation; that it shall not stand upon the statute-book unexecuted; that it shall not have been proclaimed to the people of this country and all the nations by the President, under the seal of the United States, and be disregarded by the Government and people. We hope it will not stand on the statute-book a delusion, a snare—the evidence of a solemn covenant that we refuse to execute and thus a burning disgrace and shame to the people of the United States. That is what we mean. That is the point I was going to present. It opens a great question which has occupied the attention of the people of this country from the foundation of the Government. I have not time to present it fully unless the committee permit me to go on and give my friend from Virginia [Mr. TUCKER] the opportunity of replying to me to-morrow or at some other time.

I desire to say that this question is one upon which depends the existence of the Government. Upon its decision depends its sovereignty. A government that cannot make and execute a treaty is not a sovereign state. Without the power to make and fulfill treaty stipulations it is not sovereign. There will always be some one party or another that can defeat the best intentions to perform its agreements that our rulers can entertain. It is a question which must at some time be definitely settled, and it is for that reason I spoke of a new departure which was now taking place in the policy of the Government; and I would like to know of those who intend, if they can, to assume the reins of government what the duty of the Government is as to the execution of treaties and when they come into possession of the Government, whether they intend to destroy this treaty-making power and despoil the people of this country of the capacity and privilege of making treaties with other nations under the Constitution as it is.

It is neither a new nor unimportant question. When we had conquered our independence in seven years of war against Great Britain, we found ourselves incapable of assuming an independent position among nations, because under the Confederation we could not make a treaty. Any State could defeat its execution, as it is now claimed the House can. The British King said to our commissioners, When you can make a treaty I will recognize your independence. It was this defect in the Articles of Confederation that led in great part to the adoption of the Federal Constitution.

The Congress of the Confederation took the subject into consideration very early. It issued an address to the States of the Confederacy, signed by Arthur St. Clair, the fourteenth President of the Continental Congress, the 13th of April, 1787. It was drawn up by John

Jay, then minister of foreign affairs in the Government of the Confederation. It set forth the difficulties under which the Government labored in regard to treaties with foreign nations. It set forth in strong language the nature of treaties and the necessity of providing some means of executing them when made. "Contracts between nations," it said, "like contracts between individuals, should be faithfully executed, even though the sword in the one case and the law in the other did not compel it." The non-execution of a treaty was a cause of war to be settled by the sword, as the failure to perform contracts among individuals was to be enforced by the authority of courts of law. That was the theory of the Congress of the Confederation, and it is the theory upon which the Government under the Constitution has acted when other nations have failed to fulfill treaties made with us. We have appealed to the sword under the best administrations of our Government against the strongest nations of Europe when they neglected to execute their treaties with us. The declaration of the Continental Congress was the strongest if not the earliest made by the American Government on the subject of treaties. It accepted the theory of treaties stated by Blackstone in his Commentaries on the Laws of England. Blackstone's Commentaries was the text-book of the people of the Colonies, from the inception to the close of the Revolution. Our authority in the assertion of the rights of the American people as colonists, under the constitution of Great Britain, was drawn from the pages of Blackstone. We knew the work better than the English lawyers, and more copies of it were sold in the American Colonies than were sold in Great Britain for years after our Independence was acknowledged.

The sanctity of treaties, under the British constitution, is thus stated by him:

The sovereign power of making treaties is vested in the person of the King, and whatever contracts he engages in no other power in the kingdom can legally delay, resist, or annul. (Blackstone's Commentaries, I, page 256.)

That power did not exist in the Confederation, and to remedy that inherent and fatal defect in the Articles of Confederation it was given in express terms to the President and Senate in the Constitution of the United States. All treaties made, or which shall be made, under the authority of the Constitution, by the President, with the concurrence of two-thirds of the Senators present, "shall be the supreme law of the land." They are the supreme law of the land in all matters affected by them, exactly as the laws of Congress made in pursuance of the Constitution are the supreme laws of the land in matters to which they refer. Each is supreme in its own specified sphere.

Mr. REAGAN. Will the gentleman from Massachusetts allow me to make a suggestion?

Mr. BANKS. Certainly.

Mr. REAGAN. The question arises upon this treaty that by the Constitution the House of Representatives is charged with the bringing in of revenue bills; and if we recognize the right of the President and Senate to make treaties affecting questions of revenue we take from the House its constitutional right over the subject. That is the only question I understand to be raised on that subject; and I desire to say that a distinguished statesman of Massachusetts, Mr. Choate, argued this position as an objection to be overcome, and was sustained in that by a very eminent statesman from Virginia.

Mr. BANKS. I know that; the objection stated by the gentleman from Texas I have in my mind. But the theory of Mr. Choate's report is not applicable to this case. Mr. Choate said that, in his opinion—and in that he was sustained by the Senate—it was not advisable to undertake to settle questions of purely commercial relations between us and foreign states by treaties.

That was all, and that has no application to this treaty.

Mr. REAGAN. I never conceived that there was the same objection to this treaty which was then spoken of.

Mr. BANKS. I have not stated that; but I wish to say this, that it is not a purely commercial treaty such as Mr. Choate alluded to in his report, and even in what he said then he would not be sustained by precedents. There are many treaties regulating our commercial relations with other nations upon the statute-book. It was a favorite principle with Mr. Jefferson and others to regulate commerce by treaties. John Adams said that the principle of regulating commerce by treaties, which he advocated in 1775, upon the question of sending an ambassador to France, had been the invariable guide of his "conduct in all situations, as ambassador in France, Holland, England, and as Vice-President and President of the United States from that hour. This principle was, that we should make no treaties of alliance with any European power; that we should consent to none but treaties of commerce."—*Works*, volume 1, page 200.

I do not mean to advocate that policy, but I say that if we had only that condition of industrial interest which would spring from treaties which were to remain in force for a stipulated period of time, say ten or twenty years, we should be much better off to-day than we are now with a tariff which is changed by legislation nearly every year.

But that is not what I am discussing. This is my proposition: A treaty made by the President with the concurrence of two-thirds of the Senators present, under the authority of the Constitution, is the supreme law of the land, as obligatory upon Congress as it is upon the people.

## DECISIONS OF THE COURTS.

Now I want to call the attention of the House to the decisions of the United States courts on this question. They have had it before them very often, and their general language is that a treaty is a compact or contract between sovereign nations, which the courts cannot restrict or extend as regards the right of the sovereigns that are parties to the contract. They cannot, nor can Congress, change the rights of the sovereign powers that are parties to the contract or covenant or treaty. That is the decision of the Supreme Court of the United States. The earliest decision on this question was given by Chief Justice Jay, in the case of the schooner *Peggy*, captured in the West Indies, within the jurisdiction of the government of Toussaint L'Ouverture in San Domingo. The language of Chief Justice Jay was this:

The obligation of a treaty the supreme law of the land must be admitted. The execution of the contract between the two nations is to be demanded from the executive of each nation.

The execution of the contract is to be demanded of the executive of each nation. The legislature of either nation has no right to refuse it. Either party to the treaty has a right, in the language of Chief Justice Jay, to demand from the executive of the nation the execution of the treaty, which is the supreme law of the land.

In the case of *Foster vs. Neilson*, Chief Justice Marshall said:

The court recognizes the existence of the contract as between nations over which it could have no jurisdiction. But in regard to third parties, the legislature must execute the contract before it can become a rule for the court.

The compact between the sovereign nations is unchanged; it is untouched; nothing can add to it; nothing can subtract from it, in the language of these most eminent Chief Justices of the Supreme Court, who were familiar with the exigencies which led to the creation of the treaty power and the rule by which it is to be governed.

## THE BEST EXPOSITIONS OF CONSTITUTIONAL LAW

in this country take the same view as to the scope and character of the treaty power.

Let me read an extract from the Commentaries of Chancellor Kent, volume 1, page 286:

The argument in favor of the binding and conclusive efficacy of every treaty made by the President and Senate is so clear and palpable that it has probably carried very general conviction throughout the country, and may now be considered as the very decided sense of public opinion. \* \* \* It is as much obligatory on Congress as upon any other branch of the Government or the people at large so long as it continues in force and unreppealed.

Judge Story says:

Treaties are not common rules prescribed by the sovereign to his subjects, but agreements between sovereign and sovereign. The treaty-making power, therefore, seems to make a separate department and to belong neither to the executive nor the legislative, but to partake of the qualities common to each.

Mr. Rawle, whose commentaries on the Constitution have been held in high esteem by strict constructionists of the Constitution in relation to the great questions which have disturbed our political relations heretofore, is more emphatic as to the nature of the treaty power under the Constitution than either Kent or Story.

Having felt the necessity of the treaty-making power and having fixed on the department in which it shall be invested, the people of course excluded from all interference with it those parts of the Government which are not described as partaking of it. The representation held out by our Constitution to foreign powers was that the President, with the advice and consent of the Senate, could bind the nation in all legitimate compacts; but if pre-existing acts, contrary to the treaty, could only be removed by Congress this representation would be fallacious; it would be a just subject of reproach and would destroy all future confidence in our public stipulations. The immediate operation of the treaty must therefore be to overrule all existing legislative acts inconsistent with its provisions. (Rawle on the Constitution, chapter 7, page 60.)

And again:

There can be no doubt of the true spirit and intent of the Constitution in respect to all pecuniary supplies required to support the treaty-making power. It is incumbent on Congress to furnish those supplies. (Page 67.)

Again he says:

But this is not inconsistent with a power to pass subsequent laws qualifying, altering, or even annulling a treaty. (Rawle on the Constitution, page 61.)

I read another authority, less known but not less entitled to consideration, because he states, as to the remedy in cases where treaties are not executed or enforced by either of the contracting powers, the exact course pursued by this Government against Spain and France, not for refusing but for neglecting to execute their treaties with us:

As there is no possible manner of forcing Congress to pass a law carrying out the provisions of such a merely promissory convention, (treaties,) the only remedy which the other high contracting party would have for the neglect or refusal of the legislature to perform its stipulated duty would be to treat the neglect or refusal as a breach of the treaty and a good cause of war. That it would be sufficient ground for war, according to the settled rules of international law, cannot for a moment be doubted. (Pomeroy's Constitutional Law, page 450, § 676.)

But we will not leave this subject to the opinion of any one branch of the Government. I will read a passage from a letter of Mr. Wheaton to the Attorney-General of the United States, written from Copenhagen in 1835, upon the subject of treaties and the obligation to enforce them. He says:

I. Neither government has anything to do with the auxiliary legislative measures necessary on the part of the other state to give effect to the treaty. Each government is responsible to the other for its non-execution, whether the failure proceeds from one or the other of the departments of its government to perform its duty.



The omission is here on the part of the legislature, but it might have been on the part of its judicial department. The court of cassation might have refused to render some judgment necessary to give effect to the treaty.

This letter had reference to the controversy between this country and France in regard to the payment of money due for French spoils. Mr. Wheaton says:

The King cannot compel the chambers; but the nation [France] is not the less responsible for the breach of faith arising out of the discordant action of the internal theory of its constitution.

Again he says:

The inadequacy of consideration or inequality in the conditions of a treaty—

Just what has been urged here by the opponents of this treaty, is no reason for its non-execution—

The inadequacy of consideration or inequality in the conditions of a treaty between nations, such as might set aside a contract between individuals on the ground of gross inequality or enormous lesion, forms no sufficient reason for refusing to execute a treaty.

One more authority in regard to the officers of the Government, and I leave this question of law. Mr. Caleb Cushing, now United States minister to Spain, when Attorney-General during the administration of General Pierce, giving his opinion, to be found in Opinions of the Attorneys-General, volume 7, page 291, says this:

A treaty, assuming it to be made in substance and form conformably to the Constitution, has the effect—under the general doctrine that "*leges posteriores, priores contrarias abrogant*"—of repealing all existing federal law in conflict with it, whether unwritten, as laws of nations, or written, as legislative statutes.

That makes what I consider a just representation of the view that the courts of justice and the law officers of the Government have taken of this question. I come then to the action of the Executive Departments on this subject.

Mr. HOAR. I desire, some time during the very interesting argument of my colleague, [Mr. BANKS,] to ask him one question.

Mr. BANKS. Certainly, with pleasure.

Mr. HOAR. I understand his argument to be that this provision in this treaty, that it shall not go into effect until the law carrying it into operation shall have been passed by Congress, is mere surplusage; that that is true of all kinds of treaties; that it is like the case of the salaries of the judges of the Supreme Court, where there is a constitutional obligation on Congress to provide for those salaries, although, of course, they do not receive them until the Congress has passed a law making the appropriation. But is not this treaty something more than that? Is not the effect of this provision to make a condition? In Jay's treaty the faith of the Government was bound, and although the House must take part in the necessary legislation to carry it into effect, yet it was a breach of public faith if the House refused. Now is not this clause of this treaty put in to meet that very case, and does it not notify all foreign governments that we are bound to nothing whatever, as in a matter of ordinary legislation, unless the House of Representatives shall give its assent?

Mr. BANKS. That is the question. We are bound to the execution of this treaty.

Mr. HOAR. Is there any treaty at all now? Does not this convention say that this shall not be a treaty unless the House of Representatives and the Congress of the United States shall give assent to it?

Mr. BANKS. No; it does not say that. If it said it should be no treaty till then, it would be a very different question. But it does not say that it is no treaty. On the contrary, it declares that it is a treaty, signed by the President, bearing the seal of the United States, and proclaimed as a supreme rule of action for everybody, Congress as well as all others. It is to be executed; and all it says in the words my colleague [Mr. HOAR] referred to is that it cannot be executed without consent of Congress. And in the present condition of things it could not be executed without a law of Congress if this clause was not in it.

Mr. HOAR. The point is—

Mr. BANKS. Allow me to say that my colleague is coming to the alternative that was contemplated by the republicans and federalists in the time of the administration of President Washington, but which has never yet been reached, as to what will be done if Congress shall ever refuse to enact the law required for such a purpose. Congress has never yet made that refusal. The question I put to this House is whether this centennial year is to be celebrated by a nullification of the treaty-making power of the United States?

Mr. HOAR. I quite agree with my colleague that the important point is this clause.

Mr. BANKS. I am sorry I cannot make my colleague understand my idea.

Mr. HOAR. If my colleague will allow me, this clause reads:

This convention shall take effect as soon as it shall have been approved and proclaimed, \* \* \* but not until a law to carry it into operation shall have been passed by the Congress of the United States of America.

Mr. BANKS. Well, it never could take effect until a law is passed. But it is our duty to pass the law necessary to give it effect and execution. And every treaty, whether containing these words or not, is just exactly the same. No treaty that requires legislation or the authority of law can go into effect until some power has made that legislation, and at present that power is in the two Houses of Congress. But there is another power, if we push the Government to it, as was contemplated during the administration of Washington, that will relieve the House of Representatives from any obligation of this

character. But I am not in favor of that policy, and I do not know that anybody is.

The fact is there is no power to execute this treaty or any other treaty, neither Jay's treaty nor the treaty with France, according to the practice of the Government, until a change be made in the law, which should relieve the officers of the Government from their obligation to obey the laws of Congress and give authority to the courts of justice to enforce its provisions in regard to the interests and rights of third parties. The interpretation of this qualifying clause, that is asserted, would change the constitutional provisions as to treaties, and make the House of Representatives, were it accepted, a part of the treaty-making power. That was never intended.

#### TREATY WITH GREAT BRITAIN IN 1796.

But, sir, I was coming to this question. I began with the discussion of Jay's treaty in 1796, to which my friend has referred. Mr. Jay had made a treaty with Great Britain which was thought to be greatly to the disadvantage of the United States. It was universally unpopular. Mr. Jay was burned in effigy in his own State. Public meetings were held everywhere, denouncing the administration and the treaty. Measures proposed for the execution of the treaty were discussed for six weeks in the House of Representatives by all the leading men of the country; but they finally agreed to pass the laws. As a matter of fact, the discussion of the treaty and the measures connected with it was made the basis of an organization against the administration of Washington, which became afterward the foundation of the federal and democratic parties, which have substantially divided the people of this country to this day. The opposition to the execution of Jay's treaty was abandoned, and a law passed to carry it into effect; and from that day, though the same question has been discussed often, yet of nearly six hundred treaties entered into with foreign states not one instance has occurred in which this House has refused the legislation necessary to execute a treaty.

[Here the committee rose for the purpose of extending the session.]

Mr. BANKS. I was speaking of the debate on Jay's treaty and its effect, if not its object, and the fact that no failure to execute a treaty had occurred in nearly six hundred cases that had been presented for that particular species of legislation required for the execution of treaties. Now, the fact in regard to Jay's treaty was that, Washington having made the treaty, the House of Representatives was dissatisfied with it, as were a great majority of the people of the country, and called for the papers in the case. The President decided that the House of Representatives had no deliberative power in regard to treaties, and therefore he was not bound to furnish the papers. The resolution calling for information was offered by Mr. Edward Livingston, of New York, who had been three months a member of Congress, and the House of Representatives then declared that in those cases where legislation was necessary to the execution of a treaty or any of its provisions they had a right to determine whether they would execute it or not. Upon that they did proceed to pass the laws necessary for the execution of the treaty, which was the appropriation of about \$80,000 or \$90,000, the amount required for that purpose.

Now I am not speaking in favor of the course pursued by the administration in the case of Jay's treaty any more than the policy then pursued by the House of Representatives or of the collateral party purposes, whatever they were, that the leading actors had in view. In my opinion, when a treaty has been made under the authority of the Constitution the legislative authority is bound to execute it. It is a moral obligation. There is no force that can be applied. It is exactly like voting the President's salary. The Constitution requires that he shall have it; but we have the power to refuse it, if we please. There is no power to compel us to vote it. So there is no power to compel us to pass the law to execute a treaty; but it is a moral obligation; and another State has the right to hold the Government accountable for either the refusal or the neglect to do it. I do not mean of course that the Hawaiian government would be able or disposed to do this if they had the right.

Undoubtedly if we fail to execute this treaty we as well as they would abandon it. No controversy in regard to the matter could arise between us and a weak nation like that; therefore, the proper and inevitable course would be, if the House of Representatives should fail of its duty, to abandon the negotiations. But it is nevertheless our duty to execute it, and the provision in the treaty that it shall not take effect until this duty is performed makes no difference. The case would be just the same if there were no such provision.

We have not entered into a covenant with Hawaii without an intention of fulfilling it. Our obligation and our duty remain the same whether or not reference is made to that subject in the body of the treaty. Thus much for the treaty of Jay and the administration of General Washington in connection with it. Although the discussion of the question involved has been renewed often, the views of Washington as to the right of the House to call for information have never been re-asserted. It is conceded that the House has the right to inquire if a treaty is made under the authority of the Constitution, whether or not it calls for legislation to execute its provisions. No treaty can be made which changes in any form the nature of the Government or annuls any of its provisions. We have therefore a right to call for any information that relates to it, in order that we may correctly understand its purpose and its result. If not within the

province of the Constitution, we can properly inaugurate measures to abrogate or annul it. The first three treaties made with France were annulled in that manner. But if it be within the purposes and made in pursuance of the Constitution, we are morally bound to execute it. We have the power but not the right to defeat it as if it were an ordinary act of legislation.

IT IS NOT A LEGISLATIVE POWER THAT WE EXERCISE IN EXECUTING TREATIES.

We have but little discretionary authority. We are limited to an affirmative or negative vote. The bill must conform exactly to the terms of the treaty. We cannot amend them in any respect. We can but say yes or no. This is not the function of legislators, and this fact should convince the House that in executing treaties we take upon ourselves a duty distinct from ordinary legislation, partly deliberative—ascertaining whether a treaty is within the purview of the Constitution—and partly executive, as joining with the administrative department in carrying into effect its provisions. That, in fact, is the nature of the treaty-making power and all that relates to it under the Constitution.

"The treaty-making power," says Judge Story, "seems to be a separate department and to belong neither to the executive nor the legislative, but to partake of qualities belonging to each." Other authorities concur in this view, and their opinions are only expressions of the simple fact. It is neither an executive nor a legislative power, but a distinct province, a function, most happily conferred by the Constitution on certain officers or departments of the Government. The power of the House is of the same character. It is neither exclusively legislative nor executive, but partakes of the nature of both; a power that results from certain other functions rather than from any authority expressly conferred by the Constitution. And the act by which a treaty is made effective is not a legislative act for which the House could be held responsible. It must be copied in its essence and spirit, if not in express terms, from some other act which has never been submitted to the House for approval or disapproval and upon which it never had authority to pass judgment. This is not legislation. It is in the nature of a revision or codification of laws, requiring careful, conscientious consideration, but neither admitting alteration nor entailing responsibility. And this is the interpretation of acts passed by the British Parliament to give force to treaties, as stated by Judge Story in his Commentaries on the Constitution:

The Parliament, it is true, is sometimes seen employing itself in altering existing laws to conform them to the stipulations in a new treaty, and this may have possibly given birth to the imagination that its co-operation was necessary to the obligatory efficacy of a treaty. But the parliamentary interposition proceeds from a different cause, from the necessity of adjusting a most artificial and intricate system of revenue and commercial laws to the changes made in them by a treaty, and of adapting new provisions and precautions to the new state of things, and to keep the machine from running into disorder.—Article 3, § 1513, page 369.

The same statement is made as to the practice of the British Parliament on the subject of treaties by the writers of the Federalist, and it correctly represents the nature of the duties and authority of the House of Representatives and vindicates the wisdom and patriotism of the framers of the Constitution.

All the distinguished men connected with the civil administration of the Government to this day have accepted this view of the constitutional duty of different departments of the Government in relation to treaties. When men are charged with responsibilities of executive duty they are considerate of the interests of the country. In other situations, where their action is limited to debate, with no responsibility for talking or voting except when a casting vote is unexpectedly thrust upon them, they enjoy unlimited freedom. Of the distinguished men of this body in 1796 who were so eloquent in denunciation of Jay's treaty and so brave in defense of the constitutional rights of the House, I do not recall one who, when intrusted with administrative or diplomatic duties, did not take the other side of the question. Let us look at the course of some of the greatest of public servants.

#### ACTION OF WASHINGTON AND HIS CABINET.

Let me ask the attention of the committee to the words of Washington, first President of the United States, on this subject. In his answer to the call of the House he refused the papers in the case of Jay's treaty. Hear him:

Having been a member of the General Assembly and knowing the principles on which the Constitution was formed, I have ever entertained but one opinion on this subject, and from the first establishment of the Government to this moment my conduct has exemplified that opinion: that the power of making treaties is exclusively vested in the President, by and with the consent of the Senate; and that every treaty so made and promulgated thenceforward became the law of the land. It is thus the treaty-making power has been understood by foreign nations; and in all the treaties we have made with them we have declared and they have believed that, when ratified by the President, with the advice and consent of the Senate, they became obligatory. In this construction of the Constitution every House of Representatives has heretofore acquiesced, and until the present time not a doubt or suspicion has appeared, to my knowledge, that this construction was not the true one. Nay, they have more than acquiesced, for till now, without controverting the obligation of such treaties, they have made all the requisite provisions for carrying them into effect.—March 30, 1796.—*House Journal*, 222.

In this message his declarations are explicit and positive. He knew the principles on which the Constitution was formed and the opinions of the men who made it. He knew, of course, the provisions as to the rights of the House of Representatives, in the appropriation of money, the origin of revenue bills, so much asserted since, and yet he says "that the power of making treaties is vested exclu-

sively in the President, by and with the consent of the Senate, and that every treaty so made and promulgated thenceforward became the law of the land." "Not a doubt or suspicion" had appeared to that time that that "construction was not the true one." More than this: "It is thus," he said, "that the treaty-making power has been understood by foreign nations; and in all the treaties we have made with them we have declared, and they have believed, that when ratified by the President with the advice and consent of the Senate they became obligatory." Was the President in these declarations faithful to this Government and false in his negotiations with others? Who was it that declared to foreign nations that a treaty ratified by the President and Senate was obligatory upon all departments of the Government? His Cabinet: Thomas Jefferson, Edmund Randolph, and Charles Lee, of Virginia; Pickens, of Massachusetts; Hamilton, of New York; McHenry, of Maryland, and the diplomatic representatives, James Monroe, Gouverneur Morris, Rufus King, and the Pinckneys. They were the men who declared to foreign nations that a treaty made by the President and Senate was obligatory upon the Government. Did they comprehend the Constitution? Did they falsify its provisions? Did they betray their own or deceive other Governments?

Washington asked the opinion of the members of his Cabinet as to the treaty made with McGillvray, chief of the Creek Nation, in 1790, by which goods imported into the United States for the use of the Indians were made free of duty. This was a violation of the revenue laws of Congress and of the treaty with Great Britain. It is substantially the case here now. President Washington, who negotiated the treaty, called for the opinion of his Cabinet as to the authority of the Government to conclude a treaty of this character. The opinion of the Cabinet was unanimous in favor of the power. Mr. Jefferson, Secretary of State, stated his opinion, which is given in the fifth volume of Marshall's *Life of Washington*, page 274, in a note to that page:

A treaty made by the President, with the concurrence of the Senate, is a law of the land, and a law of superior order, because it not only repeals all past laws, but cannot be itself repealed by future laws. The treaty will then legally control the duty act and the act for licensing traders in this particular instance.

This treaty, with a secret article providing for the case, was ratified by the Senate without a division, and no objection was made to it by any branch of the Government or any portion of the people, and no exception was taken to it except by Great Britain.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

MR. KASSON. I hope the time of the gentleman from Massachusetts will be extended by unanimous consent.

There was no objection, and it was ordered accordingly.

MR. BANKS. I must beg pardon of the committee; I had no intention of speaking this length of time.

Now, Mr. Chairman, there was a treaty with Algiers concerning the imprisonment of American captives. Mr. Jefferson himself in his *Anas*, page 114, (*Jefferson's Works*), gives an account of his interview with the President in reference to that treaty. The date is April 9, 1792:

He (Washington) asked me if the treaty stipulating a sum and ratified by him, with the advice of the Senate, would not be good under the Constitution and obligatory on the Representatives to furnish the money. I answered it certainly would, and that it would be the duty of the Representatives to raise the money, but that they might decline to do what was their duty, and I thought it might be incautious to commit myself by a ratification with a foreign nation where he might be left in the lurch in the execution; it was possible, too, to conceive which it would not be their duty to provide for. He (Washington) said that he did not like throwing too much into democratic hands; that if they would not do what the Constitution called on them to do the Government would be at an end, and must then assume another form.

That is all. It was "their duty to raise the money," but they might decline to do their duty. That is exactly the case of this treaty. There is a moral obligation upon us to execute this treaty. We cannot escape from it. If we fail to do it for the Hawaiian government, with which we have a contract, we must suffer dishonor, and inflict discredit and injury upon a weak yet friendly power. I hope we shall not do it. The treaty was not made for that purpose.

#### MADISON AND HIS CABINET.

Madison was one of the leaders in the debate on Jay's treaty. When he became President he negotiated a commercial treaty with Great Britain, which was called in that day an imbecile treaty, embracing few articles and of four years' duration only. The question was whether legislation by Congress was requisite to change the tariff duties on the articles affected by the treaty. Calhoun took the ground—and he was the friend of Madison—that it required no legislation at all. I will read a passage from his speech on the Madison treaty of 1816:

He would establish to the satisfaction of the House that the treaty-making power, when it was legitimately exercised, always did that which could not be done by law, and that the reasons advanced to prove that the treaty of peace repealed the act making war, so far from being peculiar to that case, apply to all treaties. They do not form an exception, but in fact constitute the rule.

Which rule was that the treaty was superior to the law.

The truth is, the legislative and treaty-making powers are never in the strict sense concurrent powers. . . . When the two powers under discussion—i. e. the treaty-making and law-making powers—are confined to their proper sphere, not only the law cannot do what can be done by treaty, but the reverse is true: that is, they never are or can be concurrent powers. Why, then, has a treaty the force which he, Calhoun, attributed to it? Because it is an act in its own nature para-



mount to laws made by the common legislative powers of the country. It is, in fact, a law, and something more; a law established by contract between independent nations. . . . Another fact in regard to this treaty. It does not stipulate that a law should pass repealing the duties proposed to be repealed by this bill, which would be its proper form if in the opinion of the negotiators a law was necessary; but it stipulates in positive terms for their repeal without consulting or regarding us.

That was Mr. Calhoun's view of the treaty power and the rights of the House. Mr. Pinkney, of Maryland, took the same view. They were friends of Madison, and it is well known they sustained his views of the treaty. Madison was then clothed with executive power, and he felt its responsibility. Madison, like Washington, had made known to foreign governments the constitutional organization of the treaty-making power, and the members of his Cabinet—Monroe, of Virginia; Eustis, of Massachusetts; Rush, of Pennsylvania, and Crawford, of Georgia—concurred with him in his views as President. So did Bayard of Delaware, Barlow, Bainbridge, and Decatur, his principal diplomatic representatives. It was upon such representations that Calhoun was enabled to say to the House that the treaty stipulated in positive terms for the repeal of duties "without consulting or regarding us."

And Mr. William Pinkney, another friend and supporter of Madison, who was at one time in his Cabinet, took the same ground in common with Madison and Calhoun, that the treaty having become the supreme law of the land no act of legislation was necessary to give it effect. The House of Representatives insisted on passing an act. No one contended they could defeat the treaty. But they wanted to put the treaty in operation, and they passed a law which re-enacted the provisions of the treaty, and made the House a part of the treaty-making power.

The Senate rejected it. The Constitution provides that revenue measures shall originate in the House. But the law, putting in force the treaty of 1816, originated in the Senate, came down to the House, was disagreed to by the House, and then modified in committee of conference and agreed to by both branches.

There stands, then, the fact that Madison, the leader, the Ajax in that debate against Washington upon Jay's treaty, in almost the last of the acts of his administration, entered into a treaty with Great Britain and did not ask or desire, unless the House chose to do it themselves, that they should pass a law to give it effect, but sent to the House a message with a copy of the proclamation of the treaty, requesting such action as might seem necessary to its execution.

Albert Gallatin, of Pennsylvania, was one of the foremost opponents of Jay's treaty. He was an opponent of Washington's administration. He represented a district two counties of which were engaged in the whisky insurrection; and the whole Pennsylvania delegation, on the first question in regard to the call for papers, was with Gallatin and against Washington. Gallatin was one of the commissioners for the negotiation of Madison's commercial treaty. Did Gallatin as commissioner inform the government of Great Britain that no treaty could be valid unless approved by the House of Representatives? Of course not. He was one of the commissioners to whom Calhoun referred when he said that if the negotiators had thought a law was necessary to repeal the duties they would have stipulated for such repeal in the treaty, which would have been its proper form. But Gallatin made no such representation and proposed no such stipulation. He made a treaty which Mr. Calhoun said stipulated in positive terms for their repeal without consulting or regarding the House.

Still later, in 1845, Mr. Gallatin published a letter in which his opinions on the subject of the treaty power were thus stated:

The President may alone negotiate, he cannot make a treaty. A treaty cannot be made without the consent of two-thirds of the Senators present. An attempt to substitute for that express provision of the Constitution the approval of Congress, would give to the House of Representatives a direct agency in making treaties. Any law to that effect would be a nullity; it might be repealed by another law at any time, for no law which is not in the nature of a contract, which the Legislature has a right to make, is binding on subsequent Congresses.

#### THE ACTION OF MONROE AND HIS CABINET.

Now I come to the treaty of 1819, for the acquisition of Florida, negotiated during Monroe's administration, which ought to be interesting to the gentlemen from Texas. Monroe was the confidential friend of Jefferson and Madison, and during the discussion of Jay's treaty he was in constant correspondence with them. We shall see what idea Monroe had as to the execution of treaties.

The treaty of 1819 with Spain ceded Texas to Spain in exchange for Florida, dismembering the valley of the Mississippi. It was unanimously ratified by the Senate the day after its execution. Spain demanded new conditions relative to the independence of the Spanish colonies before it would execute the treaty according to its agreement. Monroe, the President, recommended Congress to postpone action against Spain on account of the change of ministry and the distress of the Spanish nation.

The House of Representatives was anxious to instruct the President to take possession of the Spanish provinces without regard to their non-execution of the treaty; and Monroe advised Congress, in his annual message, to execute the treaty by its own act without the co-operation of Spain. Spain, however, ratified the treaty October 24, 1820, more than two months after the time of the ratification had expired, and the final ratification was not completed until February 21, 1821, when Mexico had become independent and driven every Spaniard from her soil.

The English, Russian, and French governments remonstrated with Mr. Monroe against the violence of the United States, and urged Spain at the same time to perform its duty and ratify the treaty.

Mr. John Quincy Adams was Secretary of State, and he stated to the chairman of the Committee on Foreign Affairs of this House, Mr. Lowndes, of South Carolina, and to the minister at Madrid, Mr. Forsyth, the President's opinions and purposes. In his letter to Mr. Lowndes he says:

The President (Monroe) considers the treaty as obligatory upon the honor and good faith of Spain; not as a perfect treaty, (ratification being an essential formality to that,) but as a compact which Spain was bound to ratify; as an adjustment of differences between the two nations, which the King of Spain, by his full power to his minister, had solemnly promised to approve, ratify, and fulfill. This adjustment is assumed as the measure of what the United States had a right to obtain from Spain from the signature to the treaty. The principle may be illustrated by reference to the rules of municipal law relative to transactions between individuals. The difference between the treaty ratified and unratified may be likened to the difference between a covenant to convey lands and the deed of conveyance itself. Upon a breach of the covenant to convey, courts of equity decree that the party who has broken his covenant shall convey and further make good to the other party all damages which he has sustained by the breach of the contract. As there is no court of chancery between nations, their differences can only be settled by agreement or by force. The resort to force is justifiable only when justice cannot be obtained by negotiation, and the resort to force is limited to the attainment of justice. . . . The King of Spain was bound to ratify the treaty; bound by the laws of nations applicable to the case, and further bound by the solemn promise in the full power. He refusing to perform this promise and obligation, the United States have a perfect right to do what a court of chancery would do in a transaction of a similar character between individuals, namely, to compel the performance of the engagement as far as compulsion can accomplish it, and to indemnify themselves for all damages incident to the necessity of using compulsion. They cannot compel the King of Spain to sign the act of ratification, and therefore cannot make the instrument a perfect treaty; but they can, and are justifiable in so doing, take that which the treaty if perfect would have bound Spain to deliver up to them. The refusal to ratify gives them the same right to do justice to themselves as the refusal to fulfill would have given them, if Spain had ratified and then had ordered the governor of Florida not to deliver over the province.

Mr. Adams, in another letter to Mr. Lowndes, says:

It was alleged (by France and Russia) that in the present state of our controversy with Spain the opinion of all Europe on the point at issue was in our favor and against her.

Mr. Adams discussed the question with the governments of Europe as to what were the obligations of the powers to ratify and execute treaties made in good faith, and he wrote this letter to Mr. Forsyth, then minister of the United States at Madrid, August 18, 1819, (American State Papers, volume 4, page 658,) in which the theory of the entire Government, legislative, executive, and judicial, as to the obligation of Spain to ratify and to execute her treaties with the United States is vigorously and correctly stated:

Should it be suggested to you that the United States have on more than one occasion withheld or annexed conditions to the ratification of our treaties, it will readily occur to you that by the nature of our Constitution the full powers of our ministers never are or can be unlimited; that whatever they conclude must be, and by the other contracting is known to be, subject to the deliberations and determination of the Senate, to whose consideration it must be submitted before its ratification; that our full powers never contain the solemn promise of the nation to ratify whatever the minister shall conclude, but reserve expressly not only the usual right of ratification but the constitutional privilege of the Senate to give or withhold their assent to the ratification, without which assent by a majority of two-thirds of the members present at the vote taken after consideration of the treaty the President has no power to ratify. In withholding or refusing to ratify, therefore, no promise is violated.

This dispatch was read to the Cabinet, Crawford, Calhoun, and Wirt present, August 17, 1819. It was criticised by Calhoun and Wirt, much to the annoyance of Mr. Adams, but not one word was said against the paragraph relating to the statement of the treaty-making power as above written.

It is an official declaration of what was, and all that was, necessary to make a treaty valid under the Constitution. It was intended for the information of Spain and other European governments that had taken a friendly interest in our controversy with Spain. It was like the declarations made by Washington and Madison for the same purpose. It was supported by the unanimous vote of the Cabinet and the members of Congress of all parties. How can it be said that these distinguished statesmen either falsified the Constitution or practiced an imposition upon the governments whose kind offices in the end prevented a fierce and bloody war between us and Spain?

#### TREATY WITH FRANCE—PRESIDENT JACKSON AND HIS CABINET.

On the 4th of July, 1831, a treaty was made with France providing for the payment of indemnity for spoiliations on American commerce. The French people had committed spoilation on our commerce and we had negotiated a treaty as to the amount of damages which they should pay, amounting to 25,000,000 francs, or \$5,000,000, which they promised to pay in three or four installments.

They did not pay the indemnity. The French Chambers neglected to make an appropriation for that purpose; the treaty was intact and perfect, witnessed, as John Quincy Adams said in a speech in this House, by Almighty God. It was a treaty complete and perfect in all its parts, like the one before us, but the French Chambers neglected or refused to appropriate the money necessary to pay the indemnity.

General Jackson, on the 2d of December, 1834, in his sixth annual message to Congress, said:

The idea of acquiescing in the refusal to execute the treaty will not, I am confident, be for a moment entertained by any branch of this Government; and further negotiation upon the subject is out of the question.

He said, further, that there had been five different occasions when the appropriations might have been made, and added:

It is my conviction that the United States ought to insist on a prompt execution of the treaty, and, in case it be refused or longer delayed, take redress into their own hands. The laws of nations provide a remedy for such occasions. \* \* \* It is a dated debt which it refuses to pay. The aggrieved party may seize on the property belonging to the other, its citizens, or subjects, without just cause of war.

After full debate, the House of Representatives resolved unanimously:

That the treaty of July 4, 1831, should be maintained, and its execution insisted on.

Yea, a 212; nays, NONE. And it then resolved unanimously that preparations ought to be made to meet the emergency growing out of our relations with France.

Of the members of the House of Representatives two hundred and twelve stood up in favor of the declaration of the President, and not one man voted in the negative.

Mr. KELLEY. If the gentleman will allow me, I desire to ask him a question. He says that that treaty was precisely like this. I would ask him whether it contained any clause that the treaty should not go into effect until the French Chambers should approve it?

Mr. BANKS. It did not, and in that respect it was exactly like this treaty, because no such provision or condition is necessary or operative. It was a treaty complete and perfect, a covenant which the French Chambers were bound to execute exactly as we are bound to execute this covenant.

Mr. KELLEY. It was a treaty stipulation for the payment of indemnity, without any reservation that the French Chambers should have a voice in the treaty. It stipulated that the French government should pay a certain amount. This treaty stipulates that when this Congress and the Hawaiian Legislature have approved the treaty, it shall go into effect; and if that be not done by the last day of next July, that this treaty shall be void and of no effect.

Mr. BANKS. There is no reservation made in this treaty of a power to refuse its execution. It is precisely the same as if the words were not there. It is a treaty made with an independent state by a Government that assumes the right and power to make a treaty. There is no reservation recognizing the right of anybody else to refuse the execution of that treaty. The legislation required is the execution of the treaty, and it cannot be refused.

It is a duty we are morally bound to discharge, the disregard of which would cover us with dishonor. The House of Representatives has never taken upon itself the responsibility of such a refusal.

Mr. KELLEY rose.

Mr. BANKS. Now let me go on.

Mr. KELLEY. Only a single remark.

Mr. BANKS. I have not been here so many years not to know that while my friend from Pennsylvania [Mr. KELLEY] likes to ride in on everybody's speech, it is almost impossible to convince him that he is wrong. He is never convinced of anything except by his own speeches.

Mr. KELLEY. Because he never interferes except when he knows he is right.

Mr. BANKS. The gentleman from Pennsylvania is never right if he interrupts another who is entitled to the floor when he is not.

Now I want to say a word of this treaty with France. Here was a government that was friendly to us, to which we owed in great part our independence, a government that had made a treaty with us. The King was our friend but the French Chambers were inimical to his government; they were bold because he was timid, and strong because he was weak. They appealed to the debates of the House of Representatives on Jay's treaty in 1796, and reproduced, word for word, the arguments that had been made here as to the right of the House to annul a treaty, assuming if we had the right they had it also. And if we have the right now in regard to this treaty they had the same right then.

The minister of the United States at Paris at that time was Edward Livingston, the very man who had introduced to the House of Representatives the resolution upon which was based the organization of the opposition to Washington's administration; the very man who, three months after he became a member of Congress for the first time, led off in the crusade against the Father of his Country, who then had, as he has had to this day, the universal respect and love of all the American people. Edward Livingston was sent to France by President Jackson with reference to this treaty. He had been Secretary of State, and of course had approved all the measures adopted to compel France to execute the treaty, and was sent by the President as minister to persuade the French government to vote the money. He has left us information as to the manner in which he did his work. He urged the members by private argument, exactly the same argument that Fisher Ames, and Hamilton, and the friends of Jay's treaty had urged in favor of the execution of the treaty which he himself had violently opposed, but to the government itself he only pleaded the obligation and the sanctity of the treaty. In the debate on Jay's treaty, Livingston had disregarded the obligation and sanctity of treaties, and claimed the right on his part and the part of the House to defeat it; but in France, where no money could be appropriated without the consent of the chambers, he urged its obligation and sanctity to secure a vote for the money. Now if he was right in the debate on Jay's treaty, what shall we say of the course he pursued at the court of France in regard to this treaty of 1831?

## CONCLUSION.

So I conclude this brief reference to the distinguished men who were parties to the discussion of Jay's treaty by saying that not one of them who became connected with public affairs in the execution of the laws of this country, or the administration of its Government, for a single moment ever recognized the right of the House to refuse or neglect what Jefferson called the duty of raising the money. Here are precedents enough to guide us. Here is the administration of Washington and his Cabinet, with Jefferson at its head; the administration of Madison and his Cabinet, with Forsyth at its head; the administration of Monroe and his Cabinet, with John Quincy Adams, Calhoun, Crawford, Wirt, and other great men composing it; the administration of Jackson, with a Cabinet of great strength under the direction of Van Buren, Livingston, McLane, Taney, (afterward Chief Justice,) Woodbury, Cass, Amos Kendall, and other chiefs of modern democracy, who were ready to declare war against any government that refused or neglected to pass the laws necessary to execute a treaty, asserting the right of this Government in such cases to take into its own hands the execution of treaties.

Now, how shall we refuse, in the face of such precedents as these before us, the passage of a law necessary to the execution of this treaty, with the independent Hawaiian government, of whose population the gentleman from Pennsylvania [Mr. KELLEY] said that a constituent part was composed of lepers? Lepers, forsooth! They have held for half a century the key of the Pacific Ocean in their own hands, against the combined influence of all nations, for our benefit! How shall we refuse to pass the law necessary to execute the treaty which we have made with them, to which all nations have been witnesses?

What matters it whether we say in this treaty, as we knew it must be implied or stated in every treaty, that it cannot be enforced by the custom-house officers or by the courts as against third parties until the requisite laws are passed by Congress for that purpose? It never could be enforced in the absence of such laws without a change of the uniform practice of the Government.

These people, then, occupying a position so important to us, and with whose interests we are indissolubly connected, whose island possessions are the key of the Pacific, ask us to execute the treaty we have made with them. For the first time in the history of this Government, for the first time in a period of eighty-seven years, we meet a House of Representatives that seems disposed to disregard its duty and determine that it shall not be executed as a law of the land, which the Constitution declares it to be.

I hope that I am wrong in this respect; but allow me to say that if the House shall negative the legislation necessary to render this treaty effective, in my opinion it will be a nullification of one of the most important powers of the Constitution, and if followed as a precedent, will undermine the Government itself, not only in its relations to foreign nations but in regard to the varied and important interests of the different sections of country of which it is composed. I hope this will not be done. I hope that we shall not stain the annals of this year, bright with the glories of the past and resplendent with the hopes of the future, by any act that denies that the Government is a sovereign power, or implies that it can make contracts with foreign nations which it has no power to execute. Let this never be said of the members of this House, of whom and against whom, if it be said, it will be remembered forever.

## Washington National Monument.

## SPEECH OF HON. L. A. MACKEY,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

April 29, 1876.

On the bill (H. R. No. 2338) to aid in the completion of the Washington Monument.

Mr. MACKEY, of Pennsylvania. Mr. Speaker, on the 28th of February last I presented to the House a bill, which was appropriately referred, entitled "A bill to aid in the completion of the Washington Monument," and desire to say a few words upon the propriety and importance of favorable congressional action on the subject, with faith and confidence that if the bill is enacted into a law the earnest desire of every American citizen to have that unfinished Monument completed would be gratified, and in a few years it would cease to be a disgrace and dishonor to the nation and a marked reflection upon the ingratitude of the Republic. By the provisions of the act of Congress of the 14th of February, 1876, the sum of \$1,500,000 is appropriated to the Centennial board of finance for the International Exhibition to be held in the City of Philadelphia, and in the act it is provided that in the distribution of any moneys that may remain after the payment of the debts of the Centennial board of finance the appropriation made by said act shall be paid in full into the Treasury of the United States before any dividends are paid to the stockholders of said board of finance. Under the provisions of the bill presented to the House the Secretary of the Treasury of the United States is directed to pay out of any money that may be paid into the Treasury under the provisions of the act of



Congress relating to the Centennial Celebration of American Independence the sum of \$300,000, to be used in the completion of the unfinished Washington Monument in the city of Washington in accordance with the plans that have been or may be adopted by the Washington National Monument Society, the money to be paid as the work progresses, upon requisitions of the President of the United States, after his approval of estimates made by the engineer in charge of the work. It is estimated that under the plans recently adopted by the monument society the sum named will be sufficient to complete the Monument. As the Centennial Exhibition is an assured success, there can be no doubt that the receipts of the board of finance will be largely in excess of its debts, leaving a surplus in its treasury more than sufficient to pay the amount proposed to be appropriated to aid in the completion of the Washington Monument.

But it has been argued that the proviso of the act of February 14, 1876, that no dividend shall be paid to the holders of stock until after the re-imbursement of the amount of the appropriation made to the Treasury of the United States, warrants the construction that the stockholders shall be paid the par value of their stock before the surplus of receipts after payment of debts is paid to the Treasurer of the United States toward a re-imbursement of the appropriation made by Congress. I do not so understand it. The proviso in the bill appropriating one and a half millions of dollars was not so intended, not so understood, not so received by those who voted for it; and I do not believe the stockholders will make the claim, if the patriotism of the nation is invoked in favor of a construction of the proviso in the act referred to in accordance with the true intent, spirit, and meaning of the same, which wiser men than myself have said was a clear provision against any division of capital, profits, or assets after payment of debts until the money appropriated shall have been repaid to the United States. But it is not my province nor desire here to discuss that question. It must be determined at another time and before the proper tribunal whether, in the ordinary legal acceptance of the term, stock in a corporation is a debt entitled to a preference over other accepted liabilities. I desire briefly to review the history of the national enterprise which it is the design of the bill I had the privilege of introducing to aid and encourage.

As early as 1799 it was resolved by Congress, on the 24th of December of that year, "that a marble monument be erected by the United States at the city of Washington, and that the family of General Washington be requested to permit his body to be deposited under it, and that the monument be so designed as to commemorate the great events of his military and political life." In complying with the request embraced in this resolution the widow, full of the tenderest affection for the memory of the great man for whose loss a whole nation mourned with her, replied in these touching and impressive words:

Taught by the great example which I have so long had before me never to oppose my private wishes to the public will, I need not, I cannot say what a sacrifice of individual feeling I make to a sense of public duty.

But to this day the resolution remains unexecuted. Washington's remains rest sacred at Mount Vernon, and the Monument is not erected. In 1801 a resolution was adopted by the House of Representatives appropriating \$200,000 for the erection of a Monument to Washington, but I believe it failed to pass the Senate. Despairing of receiving any aid from Congress, and its resolution remaining unexecuted as late as 1833, a voluntary association was formed by prominent citizens of Washington City to carry out the original idea of Congress to erect "a great National Monument to the memory of George Washington at the seat of the Federal Government," and this association appealed to the patriotism and invoked the aid of the people of the whole Republic "to redeem the plighted faith of their representatives."

The association, few, if any, of whose original members now remain, was composed of some of the purest men and noblest statesmen of their times, and was headed by Chief Justice Marshall as its first president. At his death, two years later, in 1835, James Madison was called upon to accept the office of president of the association. This illustrious man and honored statesman, then eighty-four years of age, and tottering on the very brink of the grave, expressed his sense of the high honor conferred upon him in a few eloquent words, in which he said:

A monument worthy the memory of Washington, reared by the means proposed, will commemorate at the same time a virtue, a patriotism, and a gratitude truly national, with which the friends of liberty everywhere will sympathize, and of which our country may always feel proud.

The original design of the society was to allow every one an opportunity to contribute, and to carry out this idea the amount to be received from any one individual was limited to one dollar. The project was a grand one, and their faith in the patriotism of the people unflinching; but the progress of the society, in a pecuniary sense, was discouragingly slow, and in 1826 the subscriptions had reached the sum of only \$28,000. The financial storm of 1837 which swept over the land left the society's prospects for the time prostrate. But, not discouraged, in 1845 they removed the restriction as to the amount to be received from any one person, and in 1847, having about \$87,000 in their treasury, the members of the society believed themselves warranted in making preparations for the laying of the corner-stone on the Fourth of July, 1848. John Quincy Adams was chosen to deliver the oration, but, in the fullness of a ripe old age, death removed him before the event was inaugurated, and Robert C. Winthrop, then Speaker of the House of Representatives, was selected to perform this honorable duty.

Plans having been adopted, the society prosecuted the work vigorously, and at the expiration of six years, in 1854, the Monument had reached the height of one hundred and seventy feet, a little less than one-third the height originally designed, and the society, having expended \$230,000, found itself without funds; and the Monument stands to-day substantially as it was left in 1854. A memorial having been presented to Congress in that year by the board of managers stating that they were unable to collect any more funds and asking Congress to take such action as to it seemed proper, a select committee was appointed by the House to whom the subject was referred, and on the 22d of February, 1855, a most appropriate time, the chairman of the committee, it is said, "made a most able and eloquent report, in which, after a careful examination of the whole subject, the proceedings of the society were reviewed and strongly approved, and an appropriation by Congress of \$200,000 recommended." "Unfortunately," it is claimed, "on the very day the recommendation was presented the managers of the society were superseded by an unlawful election." To obviate further difficulties of a like character and to overcome the obstacles presenting themselves in the way of a voluntary association, a charter was asked for and granted by Congress on the 22d of February, 1859, incorporating "The Washington National Monument Society." Among its wisest provisions is that which makes the President of the United States *ex officio* its president, and the governors of the States *ex officio*, respectively, its vice-presidents.

The original plans for the Monument have been materially modified by the society, and while when completed it may not be the highest structure of art in the world, it will nevertheless exceed the height of any other monument now erected, and thus, like the character and virtues of the distinguished man whose memory and deeds it is designed to commemorate, "it o'ertops the tallest of them all." Having thus briefly sketched the history of the unfinished shaft as it now stands and of the varied experience of the society whose laudable and patriotic ambition it has been to erect this monument to the man to whom more than any other, or perhaps all others, we are indebted for the growth, power, and prosperity which we have been permitted to enjoy under our republican form of Government, it is fitting that a few words should be said of him whose memory we thus attempt to revere. But it is not my purpose here to attempt a lengthy eulogium on Washington. He needs none; and a hundred others have presented his character and virtues to the world in far more fitting terms than I could. Among all the names that have graced the pages of history, that of George Washington stands pre-eminent as being the only one against which there has never been cast a word of censure or reproach. His is the only name which even the enemies of his country have learned to reverence and respect. It was of him and to him that Erskine wrote when he said:

I have a large acquaintance among the most valuable and exalted classes of men, but you are the only being for whom I ever felt an awful reverence.

And it was of him that the great Napoleon, the brilliant meteor that flashed along the French horizon in the early days of the nineteenth century, when he learned of our hero's death, proclaimed:

Washington is dead! This great man fought against tyranny; he established the liberty of his country. His memory will be always dear to the French people, as it will be to all freemen of the two worlds.

The brave and brilliant Frenchman spoke more wisely than he knew. Napoleon's was a brilliant career, but its brilliancy was that of a flitting meteor, that dashes impetuously across the heavens and leaves the world in greater darkness; while that of Washington's was the steady, glowing light of the star that never pales and never sets. From boyhood to youth, from youth to manhood, from manhood till the snows of almost seventy winters had silvered his locks with age, he is the same wise, intrepid, and dignified counselor. His exploits are not those of a brilliant genius, his deeds not those of a dashing cavalier, but caution, wisdom, prudence, and dignity characterize and mark every step and every action of his life. From the time when but a boy of sixteen he explored the wilds of the Alleghenies to that memorable 14th of December, 1799, when his weary couch became his death-bed, his career was one without a parallel in the world's history. His life seemed to be a charmed one; Indian bullets and Indian arrows, British lead and British steel, were alike turned from their course when aimed at him, by an invisible hand.

In the light of the future history of Washington as the Commander-in-Chief of the American forces in the Revolution, as the president of the convention that formed the Constitution, as the first President of the United States, as the bright and shining example of manhood that would not accept the kingly crown of royalty in our new-born country, but preferred rather that such a government should be instituted as would make every man at once both sovereign and citizen, and in the light of the whole history of this Republic, who shall say that there was not a divine guardianship which made this man the humble instrument in the hands of Providence to establish here a government the wisest and most perfect the world has ever known?

Washington was not a genius, as the term goes. He was not quick-flashing and brilliant. His career was not that of the fiery-rushing rocket that for a moment brightens the heavens with its bright glare, then dies away and goes out forever. But he was true as the needle to the pole. His was rather the steady course of the planet in its orbit, never fluctuating, never varying. But if genius be that intelligence which enlightens the judgment, and that judgment which energized and strengthened by intelligence is directed to sound conclusions then

was Washington, indeed, a man of genius, and a genius such as the world has seldom known. His was a genius which searched for the philosophy of events, and, finding this philosophy, wisely based his action for the future on the certainties of the past. His was a genius based on moral principles. No public man ever lived in closer conformity with his conscientious and well-established principles of right. His moral character was the out-growth of his moral principles rather than a superstructure reared upon them.

The guidance of a noble mother and the companionship of a true and faithful wife were his constant support and stay in his bearing before the world, and these added their influence in presenting to the future this noble specimen of manhood. His moral sentiments showed themselves not in speech but in action. No man of so much prominence ever said less and did more to impress the greatness and goodness of his character upon the present as an example for the youth of the future. Your school-boy orator could prate more loudly of freedom than he, as your chronic office-seeker could speak more glowingly of patriotism; but both lights would wane and grow dim in the presence of the shining character of this great man whose very silence would smother their flickering flame. The quiet eloquence of the character of Washington carried with it more force than the impassioned oratory of his most eloquent contemporaries.

With this great man, duty always took precedence of inclination. Private considerations were always subordinated to the public welfare. Public life had for him no charms. Nothing can excel the modesty with which he was wont to receive the compliments of his friends and of the nation. So great was his embarrassment when he rose to reply to the resolution of the Virginia house of burgesses, to which he was elected at the close of the French war, thanking him for his military services to the colony, that he felt himself unable to utter a word, and the speaker only relieved the embarrassment by saying to him, "Sit down, Mr. Washington; your modesty equals your valor, and that surpasses the power of any language I possess." And when he found at the opening of the Revolution that events seemed to indicate that he would be made Commander-in-Chief of the American forces, so great was his agitation when his name was proposed to the convention that he immediately withdrew from the room, that no one might be intimidated by his presence from interposing any objections. Said Thomas Jefferson, in speaking of him:

He was the only man in the United States who possessed the confidence of all; there was no other one who was considered anything more than a party leader.

At no time was Washington's disinterested patriotism more fully shown than when at the ratification of the Constitution the question rose to every lip, and was agitated in every circle, "Who shall be placed at the head of the Government? Who shall be made protector of the Constitution?" The name of Washington was uppermost in every mind, but the quiet life of Mount Vernon had more charms for him than the presidential chair. "The Great Searcher of human hearts is my witness," said he, "that I have no wish which aspires beyond the humble and happy lot of living and dying a private citizen on my own farm." What a grand man was this! What an example for the youth of America!

But volumes would fail to portray in fitting colors the greatness of the man whom not only our own Republic but the republics and monarchies of the world alike delight to honor. It is beyond the power of language to express fully the admiration which every true American bears in his heart for the character of this great man "first in war, first in peace," but above all "first in the hearts of his countrymen." To the memory of Washington, loved and revered by our whole people, loved and revered by the wise and great and good of the whole world, it is the design of the bill introduced to pay a fitting tribute.

The founders of the Washington Monument Society in their life-time did what they could. Their successors, with no less public spirit and with a patriotism no less ardent, have nobly seconded their example, but their funds are exhausted and it is now the privilege of this House as the Representatives of the people, and I cannot but feel that it is also their duty, to come to the relief of the society which has given its time and its energies to this great work as a matter of love and patriotism, for its managers, the best and purest men of Washington City, have always served without pay, and aid in the completion of the Monument. It has ever been the pride of our people to do honor to this great man. A triumphal march like that which witnessed his journey to New York to accept the honor of being the first President of the new Government which he had done so much to establish is nowhere on record. The people, ever ready to pay grateful tribute to the man to whom they felt they owed their rights as freemen in the new Republic, overwhelmed him everywhere with their blessings and congratulations. Can you imagine a more tender and touching sight than that which greeted him on Trenton bridge, when in the darkness of a lowering night, as he passed under an illuminated arch-way on which was inscribed in golden letters, "The defender of the mothers will be the protector of the daughters," he was met by the matrons of the city leading their little daughters bedecked with garlands of flowers, and singing the praises of the chieftain as they strewed their floral tributes in his pathway. No scene in this great man's career was to him more touching and impressive than this manifestation of the gratitude which the mothers of the land felt it their privilege to bestow upon him for the gallant defense he had made of the rights of the colonies.

The warm-hearted Virginians, as they ever have been, delighted

to honor their favorite citizen, and as early as 1784 the Legislature of that State passed a resolution ordering a statue of Washington of the "finest marble and the best workmanship" as a monument of affection and gratitude to the man who had with combined heroism and patriotism rendered his name dear to all his fellow-citizens. The statue was executed by Houdon, and now stands in the capitol grounds at Richmond. But the Mother of the Presidents, not satisfied with one statue of her gallant son, on the 22d of February, 1858, inaugurated with imposing ceremonies a second one, executed by Crawford, a native artist, in the same city.

But Virginia was not alone in her zeal to do him honor. Her patriotic sister States, Maryland and North Carolina, both vied with her in perpetuating the memory and achievements of Washington. And, indeed, all through the Union the same patriotic spirit made itself manifest in erecting monuments as memorials of gratitude and respect to his memory.

Mr. Speaker, I am unwilling to believe that the Centennial Congress of 1876 is any less patriotic than those of its predecessors who have recommended appropriations for the completion of this National Monument to the memory of Washington. I am unwilling to believe that the patriotism which led our fathers to deeds of glory and victory has departed, and that we are but the degenerate sons of noble sires. God forbid that the day shall ever come when we shall forget the noble band that laid their lives upon the altar of their country's safety as a sacrificial offering in the hour of danger and peril. I will admit that in our busy age we have done too little to perpetuate their glory, but there is no more fitting time and no more fitting occasion than this to kindle anew the half-smoldering fires of patriotism whose embers with a single favoring breath will kindle into a new flame that will dazzle with its effulgent glow all the patriotic ardor of past ages. I have too much faith in the American people, too much faith in American patriotism, too much faith in the patriotism of the members of this House, the representatives of the American people and of American patriotism, to think that they will permit our Centennial year to pass without taking such steps in favor of the completion of this National Monument to Washington as will change it from a monument of our disgrace, as it now stands in its unfinished condition, to a monument representing that patriotism and public spirit which shall ever preserve our free institutions and perpetuate to the remotest ages the benefits of our free Government.

The patriotism of the nation is not dead. The year 1876 will yet witness such an outburst of this sentiment among the American people as the world has never before seen. The same spirit that animated the heroes of a hundred years ago on the battle-fields of Monmouth and Princeton and Yorktown is as strong in the breasts of our people to-day as it was a century ago. But this is essentially a time of peace, and the world witnesses a sight in the celebration of our centennial anniversary in this coming together and fraternal mingling of all nations to join with us in our jubilee such as the most sanguine of us never dared to dream of. And now that France and England and Japan join with us, now that the nations of the earth come together and foes are lost and forgotten in the kindly feeling which brings all to our land to unite with us in our rejoicing, shall we forget to arouse anew the love and veneration for our country and for the noble men who established us a nation? Dare we forget that we this year enter upon the beginning of a new century, and that our institutions are safe only when the spirit of love for our country is instilled into the heart of every American youth? Dare we forget that the youth of to-day will take our places in the generation to come, and that they will be the conservators of the future interest and future welfare of our common country? Let it ever be our pleasant duty to hold before them those brilliant examples which in our own boyhood and youth filled our hearts with a patriotic fervor as we read the records of our early governmental history.

In the design for the National Monument in this city it was provided that contributions of blocks of marble should be received from the respective States and from such societies and institutions as were favorably inclined to the project, each block to bear a suitable inscription or device. These were to be placed in niches designed for their reception in the monument. The congressional committee of 1855 reported that each State and two of the Territories had already contributed their quota, and the same was true of a number of institutions and societies who had with patriotic expressions made similar offers. Even China and Japan and the islands of Loo Choo, whom we have been accustomed to regard as the far-distant heathen, have put us to shame in doing that to commemorate the patriotism and virtues of our hero which we have failed to do for ourselves. Shall this longer be? Shall this unfinished shaft which has weathered the storms of the last quarter of a century stand forever to remind us of our want of zeal and love for our country? Better by odds raze it to the ground and leave not a single stone to mark the scene of our shame than permit it to remain in its present condition as a perpetual stigma of reproach on American civilization and patriotism. But I have faith that the United States will not permit herself to be outdone in paying homage to her own distinguished citizens. I have faith that there is enough patriotism left in these times to forget self and the present in doing a simple act of duty in making the necessary appropriation on the part of the Government for the completion of the Monument. Too many evidences have presented themselves on this floor within the past few months that, notwithstanding the fact that many men here within the last fifteen



years have stood face to face as foes in hotly-contested civil war, we are to-day more closely united and more firmly bound together as a nation than at any time since the adoption of the Constitution that made us one people, and I feel assured that honorable gentlemen from all sections of the Union will strike hands with me on this sentiment. If there is one time above all others in our country's history when we should blot out all the unpleasant records of the past and with mutual reconciliation strive to unite and vie with one another in our efforts to breathe anew our vows of eternal fidelity to the cause of our country, it is as we enter the portals of a new century in our nation's existence.

Let it not be said of us when every other nation on the face of the earth comes to our shores with greetings and good-will offerings, as she joins with us in celebrating our Centennial birthday, that we ourselves are forgetful of our highest and most sacred duties in re-awakening among our people those sentiments of patriotism that have guided us for the past hundred years. Let it not be said that, while foreign potentates think so highly of our nation and its founders that they come to join in the general jubilee and at the same time study our institutions, we think so little of ourselves and those to whom we owe so much that we cannot even so much as erect a fitting memorial in commemoration of their virtues and as a testimony of the gratitude we owe. God grant the day may never come when we shall sink so low in our own esteem that we shall fail to perform our duties as patriotic citizens of the greatest republic in the world.

Mr. Speaker, the time has now come for action. The stale platitude which has so often been urged that no monument is so fitting to Washington as one in the hearts of his countrymen has been worn out in the service. But even granting that no monument is so fitting as this, need that in any way prevent our giving some outward expression to the gratitude of our hearts? It is not the thought, not even the speech, but the action which endears us one to another. And it is this outward expression of our reverence for the memory of Washington which alone can place us in the proper attitude before the nations of the world. It was noble action, as the outgrowth of a noble character, that made Washington himself the powerful force which carried the Revolution, with a limited army and yet more limited financial resources, to a successful issue; and it is action, it is this outward expression of our sentiments, which alone will convey to the world the esteem in which the name of Washington is held by his countrymen.

But should this bill fail or any other bill for the same object, should we refuse to make any appropriation to this worthy object, what then? Is not the Monument as it now stands a significant emblem of a waning spirit of patriotism? Does it not seem to show to the world that we are forgetful of the great deeds of the founders of our Government, and of the great blessings which they have transmitted to us? How can we regard this work as it stands in its unfinished state but as the representative of an extremely limited stock of patriotism which the American people seem to possess? I am not prepared to answer these questions, for my faith in American institutions and in the patriotism of the people is unlimited. But, much as it pains me to express it, I am almost forced by the circumstances to believe that we have been neglectful of a plain duty in the past for which only prompt and decisive action in the present can in any degree make compensation. Now, therefore, whatever may be said of the neglect of our predecessors in the premises—and I disclaim any intent of finding fault with them and their want of action—let it not be said of this the Centennial Congress that we too have failed to perform this simple act of duty as the representatives of a people who, I cannot but feel persuaded, are and ever will be mindful of the debts of gratitude which they cannot in any other manner pay to the memory of their patriotic ancestors. I trust and believe that there is not a member on the floor of this House who does not represent a constituency in full accord with me in this sentiment, and who will not fully vindicate him in his vote in favor of this bill or any other bill to aid in the completion of the Monument. I believe that when it is understood by this great American people that the appropriation of \$300,000 would cost them less than two-thirds of a cent each, were it a direct tax, that there is not one among the forty-five millions of inhabitants that would not urge the measure upon the attention of the Representatives here assembled. But I am unwilling, as I have said, to place this on a dollar-and-cent basis.

We have, as I think, wisely and patriotically appropriated one and a half million dollars to the Exposition at Philadelphia, and setting aside the doubts as to the constitutionality of the measure which arose in the minds of many of our best men and some of our most patriotic and ablest Pennsylvanians, I cannot believe there is a member of this House who had these doubts not forced themselves upon him, or who, had he not felt that it was an appropriation of the public funds to the support of a private enterprise, but would have given the measure his most cordial support. This is a measure which pledges a portion of that appropriation when returned to the United States Treasury to the purpose of completing a monument in which the whole nation is interested. It is not a stock nor in any sense a private enterprise, but one in which private individuals have stepped in to do what the Government long before had promised to do, and should have done, and it is only when private funds are exhausted, and private benefactions for the public good have failed, that the public is asked to come forward and do something to support its own

dignity and pride. In no sense is it an appropriation of public funds to private uses.

By the charter of the monument society the President of the United States is *ex officio* the president of the society, and the governors of the separate States, respectively, its vice-presidents; thus the interests of the people are doubly guarded, and by the provisions of this bill no money can be paid out of this appropriation except as the work progresses, and then only upon estimates made by the engineer in charge of the work, approved by the President of the United States. It is an enterprise in which the whole country holds an interest. As the glory of the great man to whom this tribute of affection and gratitude is to be paid belongs to no one State or section, but is the glory of the nation, so is this mark of esteem designed to be national in the fullest sense, and for this reason, if for no other, is it incumbent on the Representatives here assembled that they comply with the wishes of the nation in aiding this great work.

In these latter days, when politicians and political parties have deserted unseen and, I cannot but think, purely imaginary dangers to the public-school systems of the land, they have overlooked the more important fact that the demands of the times are not a more cordial support of our school systems, but rather that more attention should be given to the moral culture of youth in all institutions of learning. It is the glory and boast of the Chinese system of schools, which in some points are superior to our own, that morality is the first thing necessary to be taught. Reverence for parents and superiors is instilled into the heart of the Chinese child at his mother's knee; but when that child is placed in the care of the public teacher, to this reverence for parents and superiors is added as the first essential a strict course of moral culture, which places the Chinese citizen as found in his native country on a level to which by no means every one in this enlightened Republic can aspire. If there is one thing demanded therefore above others in our school systems it is a higher degree of moral culture; it is that the lives of our illustrious men shall be held up before the youth of our country for emulation. And this was never more true than it is to-day, when corruption creeps into high places and men holding offices of high public trust are found unfaithful; never more important than it is to-day, when the sacred obligations of the official oath are forgotten and the indiscretions and criminal acts of public officials cause the nation to hang its head in shame at the deeds of those whom it has made its trusted public servants. On this account, also, would I therefore have this Monument hastened to an early completion, that the youth of our land might not fail to study the character of the great and good men who laid the foundations of this Government, and that, studying these characters and the principles of morality of which they are the outgrowth and upon which they are based as the superstructure upon its foundation, their own character may be so established and their own lives be so shaped that the future shall know them as fully coming up to the high Jeffersonian standard of honesty, integrity, and faithfulness. I can conceive of no higher compliment than the judgment of the nation that its servants have been conscientiously faithful to their trust; and I would permit no occasion to pass unheeded of making public recognition of the wise deeds of great and good men; nor, on the other hand, can I picture to my mind a deeper degradation than is his who falls because of his unfaithfulness in the discharge of those public duties which are the attendants of the public position to which he was exalted. Let us therefore not fail in our duty to place before our youth, as a permanent memorial wherever it is possible, monuments to the virtues of the great and good of our land. Generations to follow will reverence the memory of those who have not only been men of virtue in themselves, but who have also not failed to pay tribute to the virtues of the great and good of the past.

I claim, too, that it is the duty of every American citizen to inculcate in the hearts of his countrymen, and especially in the hearts of his own children, a love for our country, her institutions, and her men. Let patriotism be instilled into the hearts of our children; let them learn to reverence and look up to the Government which protects them; let them feel that upon them will devolve duties in the future in protecting our institutions, and the country is safe against encroachments from without and dissensions from within. Already have foreign nations learned to regard us as a model Republic, and, though trite, it is none the less true that the oppressed and down-trodden of the world have learned to look to America as an asylum and a refuge. The last two decades have witnessed the grand spectacle of powerful foreign nations sending their highest and most intelligent officials to our shores to study our principles of government and witness their application. Even China and Japan, our antipodes, have sent to us from the ends of the earth the youth of their highest families to be instructed in our institutions of learning. But not alone have our institutions and principles of government been studied by foreign powers; they have also been copied, and republics have sprung up and flourished wherever these principles have been tried. Switzerland, in her Alpine fastnesses, defying the great powers of Europe; little Greece, the birthplace of countless heroes and scholars; powerful France, that gave us Lafayette in the Revolution; and far-off Japan, little but powerful and apt to learn, have all looked to us and in a measure copied our example. Nor have we yet reached the pinnacle of our glory and greatness. The great Jefferson, apprehensive that the fascinations of Europe might prove too great a temptation to the new Republic, hoped that an "ocean of fire" might roll

between the Old World and the New. There may have been cause for this anxiety, but, if so, it exists no longer. It is the New World that now wields the influence upon the Old. Is it too much to hope that year by year this influence shall grow stronger?

But while our example as a government is bearing rich fruits beyond the seas, let us not forget the debts we owe to those of the past whose blood cemented the links that bind us together as a nation. Let us never forget that had not brave hearts and strong hands guided the helm of state in the infancy of the Republic, we must have drifted into utter and hopeless anarchy. We are too prone in the days of our allience and power to forget that it is not to ourselves we owe our greatness, but rather to those who a hundred years ago laid broad and deep and strong the foundations for this grand and powerful superstructure reared for the American people.

Having therefore full faith in our Government, having full faith in our institutions, having full faith in the patriotism of the nation, I appeal to you and to your patriotism, as the representatives of the people and the people's faith, that you lend your aid in securing the completion of the Washington Monument. It is a grand, a noble work, and it is for this Congress to win for itself laurels with which our predecessors failed to deck their brows. I appeal to you as men loving the Government, of which you are a fundamental part, that you let not the new century be ushered in upon us without showing to our people and showing to the world that we all reverence the name of Washington and that we delight to do honor and reverence to his memory. We have been highly prospered as a nation. We have shown to the world that our Government is based on principles as enduring as adamant. Let us show to the world that we are proud of the heroes who established that Government and that, though we have grown rich and great and powerful, we are not unmindful of the debt we owe their memory. Let this monument be completed, that that debt may at least be partially canceled and that we may show to the world that we have not forgotten the virtues of the illustrious Father of his Country.

#### Legal Tender of Silver Coin.

### SPEECH OF HON. JOHN P. JONES,

OF NEVADA,

IN THE SENATE OF THE UNITED STATES,

April 24 and 25, 1876.

The Senate, as in Committee of the Whole, having under consideration the bill (S. No. 263) to amend the laws relating to legal tender of silver coin; the pending question being on the amendment of Mr. BOGOT to the amendment reported by the Committee on Finance—

Mr. JONES said:

Mr. PRESIDENT: The act of February 12, 1873, now incorporated in title 37 of the Revised Statutes, an act which, under the guise of regulating the mints of the United States, practically abolished one of the precious metals, was a grave wrong; a wrong committed no doubt unwittingly, yet no less certainly, in the interest of a few plutocrats in England and in Germany and as certainly in the interest of the entire pagan and barbarian world; a wrong upon the people of the United States and of the whole civilized globe; a wrong upon industry, upon the natural tendency of wealth toward equalization, upon the liberties of peoples which are born out of the effects of such equalization of wealth, upon every aspiration of man which depends for its realization upon the development of those liberties.

The act alluded to practically abolished one of the precious metals as money, the one chiefly produced in this country, the one chiefly consumed in the semi-civilized countries of Asia, and the one which at the date of its abolition and under the time-honored laws that previously prevailed was becoming, as it has since become, the more available metal of the two in which to transact exchanges and liquidate debt.

Under the act of April 2, 1792, both silver and gold coins—dollars or their multiples—were made a legal tender in this country for the payment of debts to any amount, at the rate of 15 in weight of silver to 1 of gold. This co-ordination of silver and gold is called the double standard. A similar arrangement existed in the other countries of the civilized world; the relation fixed by law in those countries being either 15½ or 16 for 1. A few countries had a single silver standard, but no country, until 1816, had a single gold standard. In this country, up to 1853, the Government defrayed the expense of manufacturing coins, while in Europe, except in England, where the coinage is also free, the owners of the bullion offered for coinage are assessed with a charge for manufacture. Thus, under our old laws, and, as I shall endeavor to show under the requirements of the Constitution, the owner of either gold or silver bullion had the right, if the Government chose to coin any money at all, to have his bullion coined free of charge; and once coined it became a legal tender to any amount for the payment of debts, whether the bullion was of gold or silver.

Although free coinage only dates from that era of other free institutions, the American Revolution, the double standard of money has

existed since the remotest past. This arrangement, so far as we know, has existed everywhere and forever, notwithstanding the fact that at certain periods silver, as compared with gold is yielded by the mines in deficit of the world's consumption, while at other periods gold, as compared with silver, is yielded in deficit. At the period in question—that is to say, from 1792 until the effects of the discovery of the Russian, the American, and the Australian gold mines were felt—gold was produced in deficit; and by reason of this fact, silver, at the legal rate of 15 for 1, was the cheaper metal in which debts could be discharged. Accordingly, silver was used for this purpose in this country to the exclusion of gold, the debtor being at liberty to tender either metal he thought proper. By the act of June 28, 1834, this relation was changed to 16.00215 for 1, and by that of January 18, 1837, to 15.98837 for 1, in both cases substantially 16 for 1, at which figure it stood up to February 12, 1873.

When the great Russian mines threw their auriferous products upon the markets, gold became the cheaper metal at the legal relation of, then, substantially 16 for 1; and our silver legal-tender dollar disappeared from circulation. Nevertheless this coin was not abolished, and the privilege of free coinage and the right to tender the silver dollar for debt remained the same as before. The pivotal point of this event was the period of depression which followed the panic of 1837. About the period of 1863-73 another great change in the relative production of the metals occurred, and gold instead of silver was produced inadequately. This occurrence began to operate about the year 1865, when the world's product of gold had attained its maximum. However, this change did not appear to have been felt until some few years afterward, when its influence upon the relative value of the metals was greatly intensified by the threatened demonetization of silver by the German Empire and its partial actual demonetization by other European states. In 1865 the relation of gold to silver in the London market was 1 to 15.33; in 1872 it was 1 to 15.63. This is considered the pivotal point of the change, because the legal relation of gold and silver in most of the countries of Europe was 15.50. In 1874 the London quotation rose to 16.15, and at the present moment it is about 17.60, a relation which shows that the value of gold to silver is about 10 per cent. above that fixed by our law of 1792, as amended by the acts of 1834 and 1837.

The double standard, or the legal establishment of a fixed relation between silver and gold at the calculated center of their mutual oscillations, is not the unnatural and one-sided measure which some recent writers have supposed it, but the fulcrum of a just balance whose scales are alternately depressed. Both gold and silver are indispensable, and needed for the coins of the world—gold for large payments, silver for large and small ones; and it will be found that in great commercial countries both gold and silver are needed. Outside of the great bulk of mankind who use either one or both of those metals for money, there is a small number on the one side who are too poor even to use silver, and a small number on the other who are too rich even to use gold. The very poor employ copper; the very rich paper notes and checks. In both of these cases the substitutes for gold or silver are not real money, but representatives. Copper coins are never of full weight, and are called tokens; paper instruments are intrinsically worthless, and are merely promises, direct or remote, to pay money of gold or silver. To the mass of mankind gold and silver are both indispensable for the purpose of exchange, and these two metals constitute the money of the world.

Were their quantitative relation unknown or changing always in one direction—for example, was silver always becoming cheaper or gold dearer—a double standard would prove inconvenient. But such is not the fact. The relation of these metals to one another for many centuries has been very constant, the pivotal point being 15½, and the oscillations—until within the past year, and chiefly in consequence of the demonetization of silver in Germany—quite inconsiderable. This constancy of relation is due to the stock of precious metals already in the world, to the proportion of gold to silver needed for the world's convenience, to the vicissitudes of production, to the occurrence of gold and silver in the same ore matrices, and to other physical circumstances which will be adverted to hereafter.

Without perhaps fully knowing the causes of it, but assured from long experience of its continuance, nations have hitherto been satisfied, in their search for an approximately immutable measure of values, to adopt the double standard, which, constituting a measure, now of gold and then of silver, nevertheless served to measure with constant efficiency any given quantum of labor or its products; just as a peck measure, whether constructed of gold or silver, will measure always just one peck, or as nearly so as the different effects of temperature upon the two metals will permit.

This is what has been understood in all ages by the double standard, and this is what our forefathers understood by it when they fixed it, first at 15 and then at 16 to 1, a wise and far-sighted mean between the market relation of silver and gold for two generations previous to and after the date of the three enactments which they transmitted to us.

In case no such amendments had been made to the bill now before the Senate, as have been offered by the Senator from Missouri, it was my intention to offer a simple amendment to restore the double standard of the United States, and to base its system of money upon the money of the world, upon which it is now not based. To accomplish this object it was suggested that I might, with, perhaps, greater as-



surance of success, attempt it by the same indirection which practically destroyed the double standard. But this course might indicate a lack of confidence in the strength of the amendments or the sufficiency of those arguments of sound policy and expediency upon which they rest.

The wrong which has been done can never be fully undone by indirection. The undoing must be as open and explicit as the doing was indirect and implied.

To secure this result nothing more is needed than that the history of the precious metals shall be recalled; that history which is so full of happiness and misery, of affluence and of poverty, of ease and of hardship; that history in part of which my life has been passed, and which has therefore impressed itself upon me not only by study but partly also by practical experience.

The flood of light which this history throws upon the subject, while it will establish the necessity and importance of the double standard, will also serve to allay any fears that may be entertained on the one hand as to the observance of specie contracts, or on the other as to the due recognition of paper credit as an economical and essential element of the currencies of modern nations.

As this history, be it ever so briefly recounted, is of some length, and as the conclusions to which I desire to direct attention are somewhat numerous, I deem it best at the outset to summarize what I propose to say on this subject.

First. I propose to set forth the function and nature of money, the various substances which have been used for money, and the characteristics which during fifty centuries of trials have induced the precious metals as a duality to be always resorted to for this purpose throughout the world.

Second. I propose to show that the use of money and the preference of the precious metals for money were both natural and voluntary acts, not due to law or edict, and that, therefore, money is of right, and ought to be, free and untrammelled by any regulations except of a kind specified.

Third. I propose to trace the stock of the precious metals in the world from the earliest period for which we have authentic data, to show its mutations down to the present time, and the political, industrial, and social phenomena which accompanied those mutations. From this review I expect to be able to show that the world's stock of specie, which is now of great magnitude, consists nearly one-half of silver; that any diminution or disuse of such stock, whether resulting from failure of the mines or arbitrary legislation, is fraught with the greatest disasters which can befall society; and that, therefore, the two measures to which our country is committed by existing laws, viz: resumption in specie, combined with demonetization of silver, are likely, if attempted to be enforced, to end in distress and defeat.

Fourth. Therefore one of these measures will have to be abandoned, and that one is the demonetization of silver. In other words, we shall have to restore the double standard of gold and silver which existed from 1792 to 1873.

Fifth. I next review the relative value of gold and silver from the earliest times to the present, and show how constant that relation has been, particularly since the discovery of America and the opening of the East India and China trades, since which time and up to 1873 it scarcely varied from its pivotal point of 15½ to 1. The sources of this long-continued constancy of relation are then examined, and in their nature is found strong assurance that the relation will continue to be constant in the future.

Sixth. The principal and almost only cause of aberration in this relation is found to be the various edicts or enactments which in various countries and at various times have interfered with the freedom of money. Prominent among these were the demonetization of silver in England in 1816, the monetary treaty of the five powers in 1865, the demonetization act of the United States in 1873, and the pending measures of the German government. These various measures are adverted to and condemned as mischievous interferences with trade.

Seventh. The impracticability of abolishing the double standard is greatly strengthened by reference to the annual supplies of gold and silver separately since the beginning of the present century. From this reference it appears that the supplies of gold to the world have fluctuated between \$5,000,000 and \$182,000,000 per annum; that the supply has been diminishing since 1852, and that it is at the present time insufficient to meet the demands of the world for that metal for use in the arts and to keep good the wear and loss of coin. On the other hand, the annual supplies of silver have always been steady, and are now but little above the average. Moreover, gold is shown to be essentially a British product, while silver is essentially American.

Eighth. I then propose to show the impossibility of resuming specie payments in gold, the disadvantages and danger of attempting to demonetize silver, the impracticability of demonetizing it permanently, and to discuss the various objections that have been urged against demonetization.

Ninth. I shall also endeavor to show that the effect of demonetizing silver, or rehabilitating the double standard, will be to equalize more nearly the values of the metals, so as to restore or tend to restore the relation that has hitherto, up to within a late date, existed between them for three centuries, and to afford a great impetus to the industrial and commercial prosperity of this country.

Tenth. I shall next endeavor to show that both gold and silver to-

gether at a relation fixed by law is the constitutional money of this country, and that all acts of legislation intended to subvert this institution are illegal and void.

Eleventh, and finally. I will quote the authority of the most eminent legislators and publicists in favor of the double standard.

#### THE FUNCTION OF MONEY.

Money has been fitly described as an instrument designed to equitably measure commodities and services with the view to effect their exchange either at present or in the future, and throughout the world. This is its specific function, and it has no other. The money of the world at the present time, the substance in which prices are quoted, contracts made, and debts lawfully paid consists of gold and silver coins. In most countries silver coins alone; in many countries both gold and silver coins at a relation of weight and value fixed by law as nearly as possible to the market or commercial relation; in a few countries gold coins alone. In some countries some form of paper notes, either representing or promising to pay one or both of the precious metals are employed at intervals as convenient substitutes or temporary expedients for money. In some countries silver tokens or partly representative coins; and in all countries tokens of copper, bronze, or other inferior metals are employed for small payments. The preference for silver and gold for money is the result of thirty centuries of every conceivable sort of experiment to obviate the use of the precious metals, and for this reason it is deemed hardly necessary in this place to advert more particularly to the numerous and well-marked characteristics which have procured for the precious metals this high preference. Briefly, these are:

1. Eligibility of voluntary interchange into and with other forms of capital. This is the first and most necessary characteristic of money, the one without which it must prove useless. If its interchangeability instead of being voluntary is merely sustained by law, the money cannot equitably measure future exchanges, for human law is mutable and subject to vicissitude, alteration, and overthrow. If its interchangeability is costly, as it would be if the money were made of iron or cotton, the money would be of inferior eligibility to money made of the precious metals, which are easily and cheaply convertible from coins into plate and other forms of capital, and from these forms into coins.

This quality of voluntary and economical interchangeability furnishes constant security to the holder of gold and silver money, a security which no act of legal tender can enhance. Money possessing this and the other characteristics hereafter named needs no law to make it current throughout the world. It is these characteristics which alone can give it currency; not the force of law, which is only the force of one nation at one time and as modified by the defects of administration and the friction of evasion. Since the arts of smelting and refining iron and the other more common and now more useful metals, and of making china and glass, were discovered and perfected, the forms of capital into which the precious metals can be economically converted are perhaps less numerous or important than formerly, many of the materials or instruments of reproduction or ornamentation which are now made of iron, glass, &c., having been formerly made of the precious metals; for example, saddlery-hardware, buttons, buckles, thimbles, bells, lamps, goblets, plates, ewers, basins, &c. Nevertheless the use of the precious metals for these and other and newer purposes, whence they are readily converted into coin, is still very important, as e. g. watchmaking, plate and plated ware, jewelry, regalia, pens, dentistry, &c. They are also largely employed in photography, sign-painting, bookbinding, printing, medals, &c.

The security thus afforded to the owner of gold and silver money is not merely confined to an assurance that he may obtain for it at the present time and anywhere a full equivalent for the commodities or services it costs; it extends that assurance, or the nearest possible approximation to it, over all time. The cheap convertibility of such money into other and numerous forms of usefulness is a check against the heaping up of such money; the cheap convertibility of plate, and many of the other forms into which the precious metals are usually cast, is a check against the depletion of such money. The relation between the supply and demand for the precious metals is by no means a constant one as to either or both metals; this relation varies, but the variation is less, and is spread over longer periods of time than is the case with any other commodity. Did the precious metals possess no other advantage over other commodities which might be suggested as useful for money, this one of minimum variability alone would be sufficient to render them pre-eminently fitted for that purpose.

2. Adequateness and steadiness of supply to the world. These characteristics are shared with the precious metals by many other commodities or instruments capable, or supposed to be capable, of measuring present and future values. On the other hand, there are others which do not share it, as the principal articles of food, clothing, and shelter, whose inadequacy and unsteadiness are proved by the limits which their supply puts upon population; it having been demonstrated that population would double in at least every twenty-five years, did the supply of the means of subsistence permit. Even the precious metals themselves have sometimes failed of adequate or steady supply, and never, without occasioning the direst calamities; but the danger is less with them than with any other commodities known to man, both because of their profuse and diffused distribution in the earth and of their lasting qualities when produced.

3. Diffusion of supply and consumption throughout the world and ease of recovery. The precious metals are found in all countries and used in all countries for purposes other than money. The diffusion of their supply and consumption is greater than that of any other commodities. In some countries there is no iron, in others no cotton, in others no wool, in others no grain can be grown or cattle raised, and even in many countries where iron is found there is no fuel for smelting it. The competition in smelting causes it to be essentially a monopoly in countries possessing the cheapest fuel. Similar considerations affect all commodities, but gold and silver the least. These metals are often found in a pure state, and were obtained in the early ages of mankind with the aid of a flint-chisel and sometimes even with the fangs of a boar. (Jacob, 17.) It is within the power of the humblest and most solitary adventurer to extract, refine, and coin these metals, processes which can be pursued with the other metals only by the help of co-operation and capital. The supply of the money of the world must be a monopoly to no country and to no class of men; otherwise the fortunes of all the rest might stand in imminent jeopardy from those who monopolized it.

4. Exemption from decay. The precious metals will neither corrode, oxydize, nor evaporate. They resist not only the atmosphere but the strongest acids. There is still extant a legible specimen of gold coins issued in Ionia about nine centuries before Christ. (App. Cyc., 12, p. 443.) There was a legible stamped gold coin in the Earl of Pembroke's collection which was issued by Darius of Persia, about four hundred and eighty years before Christ. (Jacob, 17.) The gold coins of Alexander the Great, about 330 B. C., which have never been excelled in purity of metal or boldness and beauty of design, are still so abundant that collectors regard them as less rare than any American gold piece of the last century. (App. Cyc., 12, p. 444.) There are legible silver coins still circulating in England which were issued by the governments of ancient Rome. (MacLeod.)

In times of war and civil commotion, when the solemn earth becomes the womb of man's rehabilitation, as it had once been that of his existence, and is always that of his support, the quality of exemption from decay of the precious metals is not the least valuable one, nor are these the only times when such a characteristic proves valuable. Accidents from fire, water, and many other causes are continually happening to destroy man's possessions; but the precious metals survive them all.

5. The two precious metals are naturally complementary to each other. Hitherto the precious metals have been mentioned together, and the advantages ascribed to them attributed to both. This is quite correct if both be taken together, but not entirely so if either metal is taken singly. Some countries which produce gold do not produce silver; as Great Britain and its colonies. Others produce more silver than gold, as the United States, Mexico, and the South American states. In others, again, the gold and silver occur in the same matrix, as in the Comstock lode. Some countries consume little or no gold; others little or no silver. Hence the distribution of supply and demand varies; so does its steadiness. During certain periods of time the world's current supply, as compared with its current consumption, of silver, outruns that of gold, as it did from the beginning to nearly the middle of this century. During other periods gold outruns silver, as from about the year 1837 to 1870. Thus, taken separately, the precious metals do not exhibit those advantages which they possess together. Moreover, in many countries, the use of both metals for money is rendered necessary by reason of their very different value as compared with bulk or weight. These considerations will be alluded to again; they are only mentioned in this place in order to justify the employment of the dual term precious metals, and to account for their forming together the money of the world.

6. The superior ductility and malleability of the precious metals is one of the most important of their characteristics, for it renders the cost of manufacturing coins so small, as practically to entail no loss upon the owners in case it became desirable to reduce them to bars. This is always the case when legal enactments place a false or mistaken value (as respects commodities or services already sold, or contracted to be sold in future) upon the coins. The comparative cheapness and ease of transforming the coins into bars, in which form the metal is certain to command its true market value, affords a continual check upon legislation and defeats its every attempt to misvalue coins. Metals possessing inferior ductility are lacking in this advantage, the cost of making them into coins and the loss by reducing them to bars proving an obstacle to their quick and ready transmutation. Substances other than metals do not possess this characteristic at all. The cost of manufacturing coins is called *brassage*, and is about one-half of 1 per cent. In some countries another and wholly indefensible charge, in addition to this, is imposed. It is called *seigniorage*, and consists of *brassage* and a profit. This profit is a royal prerogative, and, as its name indicates, is a relic of the feudal ages of medieval Europe.

There are other well-marked characteristics which render the precious metals superior to all other instruments or services susceptible of being employed to measure values. The homogeneity of these substances renders their genuineness and purity easy to test and difficult to counterfeit or impair; enables all bodies of them, however large or small, easy to divide or unite, and without adding to, or diminishing, the labor or service which they represent. They are easier to trans-

port and conceal, less liable to abrasion, and, being inodorous, are less offensive to handle than other substances.

It is difficult to estimate what relation the cost of this instrument bears to that of the commodities and services it measures, because the commerce of the world is carried on largely by means of paper instruments, some of which are indeed based upon the metals and merely represent them, while others are based upon private or corporate credit, and still others on no credit at all but mere force of law. There is another difficulty in making such a calculation; that which arises from the well-known fact that a vast number of the largest transactions consist of stock-jobbing, or mere bets clothed in the garb of business operations. Making a reasonable allowance for these facts, it has been calculated that specie measures ten thousand times its own value every year, and that taking gold and silver together in the actual proportions in which they exist in the currencies of the world, specie will last, as against abrasion, loss by accident, &c., about a thousand years.\* Upon this basis the actual cost of this instrument is an infinitesimal charge upon each transaction, probably as little as that caused by the wear and tear of any other measure, as a tape-line, a pint-pot, a bushel-basket, &c.

On the other hand, money made of the precious metals has several defects. It is somewhat costly to produce, it is somewhat expensive to transport. It is always a misfortune to society, as well as to the individual, when specie is lost at sea, or buried in hoards the secret of which does not transpire. It is subject to loss from abrasion, it fluctuates in value, and the two metals fluctuate unevenly.

Some of these defects have been remedied by the invention of expedients. Transportation and loss are measurably obviated by bills of exchange and places and certificates of deposit; abrasion is lessened by the use of alloy in coins; the uneven fluctuation of the two metals is remedied by a double standard, which, by fixing a mean relation covering a long period of time, past and prospective, enables both metals at that relation to be employed all the time.

There remain two other defects: the first cost of the precious metals and their fluctuating value as a duality even after such fluctuation has been lessened by using them together. These defects are extremely small and are of a nature which renders them unavoidable by any safe or practicable means.

Let us begin with the question of cost. Present and future values cannot be equitably or nearly equitably measured by anything that is not capable of being voluntarily and readily interchanged with other forms of capital; in a word, by anything that of itself does not contain or represent an amount of labor or service easy to determine, and of a kind appreciable to and exchangeable with all mankind.

Value, which is not to be confused with either worth, utility, or desirability, is the quantitative relation between two services exchanged. (Bastiat, *Harmonies Political Economy*, pages 108 and 109.) This relation can only arise in the social state; while worth, utility, and desirability are qualities appreciable to the isolated man as well as to society. Value is not a quality inherent in a service; as worth, utility, and desirability are; it is simply a relation between two services exchanged.

A measure of value must therefore be a service of some sort, and the more universally such service is appreciated the better measure will it afford. An abstraction, as an imaginary money of account or an irredeemable credit, cannot measure the quantitative relation between two services, and hence cannot be a measure of value.

There is an easy method of testing this assertion. Repeat the promise of payment which now causes Treasury notes to usurp the place of specie, and observe what kind of money will continue current and what not. It will then be seen that the precious metals will circulate as before without the least abatement, indeed with a slight enhancement of their purchasing power. This, indeed, is the case in China, a country which tried fiat currency six hundred years ago, but in which, in spite of the fact that there are now neither legal-tender nor coinage laws, gold and silver both circulate at even a higher value than in countries where such laws are in full force and effect.

If the impracticability of employing irredeemable credit for the purpose of money be admitted, and it is still claimed that some form of redeemable credit, as national, or bank, or individual notes, may with advantage be used as money in order to save the cost of the precious metals, the claim is admitted. There is and can be no objection to the use of such credit so long as its use, like that of the Scotch bank-notes, is entirely voluntary. The moment that legislation or any arbitrary act interferes to place it above this level, its use is fraught with danger. The advantage to be gained, which is merely that of saving the cost of the precious metals in a currency of safe and universally acceptable material, is wholly inadequate to the risk run. And on this point it is never to be lost sight of that so long as we continue to be, as we are, one of the principal producers of the precious metals, we lower to a small extent the value and selling price of all the metal we may have to export, by every expedient, the effect of which is to throw it out of employment in our own country.

\*According to Jacob, the stock of coin in Europe at the beginning of the present era received little or no addition until the discovery of America. This was a period of fifteen hundred years, during which the stock dwindled down to little more than 10 per cent. of its original dimensions.



In saying this, it is not intended to deny the advantage of employing credit as a convenient and economical medium of exchange; but such credit must rest upon so firm and broad a foundation of the precious metals as not to need the aid of legislation to prop it up. In other words, its use must rest upon the same foundation as the use of the precious metals themselves—common and voluntary consent.

As to the other unavoidable defect of money made of the precious metals, its fluctuating value, it can only be replied that this fluctuation is exceedingly slow. That is all the defense of it there is, and there can be no better one, for all measures of value must fluctuate, though none of them less than the precious metals. There are men who have imagined an absolute and fixed measure of value, as there have been others who imagined a fixed earth or a fixed sun, an absolute or unconditioned quality or quantity, &c. To such men it need only be replied that there is nothing fixed or absolute; nothing, at least, that the senses of man can perceive or his mind imagine. All is in motion, all is conditioned. The universe and all it contains is incessantly in action, and even the adjectives of language which are employed to qualify or characterize the objects brought to our conception are themselves relative and conditioned. A fixed measure of value is an inconceivability; we can but prefer for such a measure the commodities or services which fluctuate in value the least, and these are the precious metals.

This brief exposition of the functions and characteristics of money may be still more briefly summarized as follows:

1. Money is an instrument voluntarily adopted to equitably measure values, present and future.

2. Value is the relation between two commodities or services exchanged.

3. Hence money is the measure of the relation between commodities and services exchanged.

4. This measure is formed most conveniently and equitably of both the precious metals taken together.

5. Legislation cannot make or unmake money. It may temporarily exalt or depress the value of one metal as against the other, but only temporarily; it may disturb, but it cannot permanently alter or destroy. Gold and silver are money in virtue of their own superiority, and they owe none of their rank to law.

The extent to which legislation can be beneficially exercised with regard to money is to quantitatively define the names of coins, to guard against confusion, counterfeiting, &c., by manufacturing them in a public mint, and to save the transportation and abrasion of them by receiving them on deposit and issuing certificates therefor. (Herbert Spencer, in New York Social Science Review, page 137.)

To insure the fourth provision, that both the precious metals shall form the ingredients of money, it is essential that no legal obstacle shall be placed in the way of the voluntary use of either; that one, equally with the other, shall be a legal tender to an unlimited amount, at a quantitative relation fixed from time to time in view of the past and probable future market ratio of these metals. To these must be added copper tokens for petty sums, and upon the whole will naturally arise a paper credit peculiar to each country; a credit whose volume will regulate itself in view of the basis beneath it, in view of its command of the precious metals, in view of the wants of industry and of the conditions of security which exist within the social or political organization to which it belongs.

These are the essential principles of money which seem to be deducible from the united testimony of history, experience, and reflection. When we come to apply these principles to any existing monetary system not in accordance with them, as is the case with that of this country, we are in the position of a physician who, believing himself to be acquainted with the laws of health, may nevertheless be puzzled how to prescribe for a given case of disease. Happily I have no such task before me. My single object is to remove an impediment to recovery, an impediment the nature and importance of which will, I believe, be recognized as promptly by those who may differ with me as to what are the true principles of money as by those who may agree with me in regard to those principles. The removal of this impediment, while it will afford that ease which one school of currency demands, nevertheless affords it entirely within the scope of action which the other school prescribes. It simply proposes the re-establishment of the double standard, unwisely abolished by the act of 1873, a piece of legislation whose evil effects can only be estimated by referring to that history of money from which I have ventured for a few moments to digress.

These views are not merely those of the ablest men who have devoted their attention to the subject; they are gathered from the history of money from the time when this instrument was first known to mankind to the present. They are enforced not only by precept, but by example; they are written in the rise and fall of states and of social systems, in revolutions, in wars, in the annals of freedom and in those of feudalism and slavery. They are imprinted in sweat, and tears, and blood; and to disregard them is to disregard the lessons of thirty centuries of time.

The use of gold and silver for money is not a recent one, neither were these costly metals adopted for the purpose until after every other expedient practicable at the time had been tried. The following table furnishes a list of these expedients and other chronological data in reference to money:

Table showing some of the substances which have at various periods and in various countries been used as money.

Period.	Country.	Substance used as money.	Authority.
B. C. 1900	Palestine .....	Cattle, and gold and silver by weight.	The Scriptures.
	Arabia .....	Gold and silver coins.	Jacob.
	Phoenicia .....	Gold, silver, and copper coins.	Anonymous.
	Phoenician colony in Spain.	Same, (some still extant) .....	Carter.
1900	Phrygia .....	Coins by Queen of Pelops ..	Julius Pollux.
1184	Greece .....	Brass coins .....	Homer.
862	Argos .....	Gold and silver coins by Phidon.	Dictionary of Dates.
700-500	Rome .....	Brass by weight .....	Jacob.
578	Rome .....	Copper coins .....	Ibid.
Uncertain.	Carthage .....	Leather or parchment money, first "paper bills" known.	Socrates, Dial. on Ricles, Journal des Economistes, 1874, p. 354.
491	Sicily .....	Gold coins by Gelo, (some still extant.)	Jacob.
480	Persia .....	Gold coins by Darius, (two still extant.)	Ibid.
478	Sicily .....	Gold coins by Hiero, (some still extant.)	Ibid.
407	Athens .....	Debased gold coins, foreign.	MacLeod, 476.
400	Sparta .....	Iron, overvalued.	Boeckh.
360	Macedonia .....	First gold coins coined in Greece by Philip.	Jacob.
966	Rome .....	First silver coins coined in Rome.	Ibid.
54	Britain .....	Pieces of iron .....	Ibid.
50	Rome .....	Tin and brass coins .....	Dic. of Dates.
Uncertain.	Arabia .....	Glass coins .....	N. Y. Tribune, July 2, 1872.
A. D. PERIOD FOLLOWING THE FAILURE OF THE ANCIENT MINES.			
212	Rome, (Caracalla.)	Lead coins silvered and copper coins gilded.	Anonymous.
1066	Britain .....	Living money, or human beings made a legal tender for debts at about £2 16s. 3d., per capita.	Henry's History of Great Britain, vol. iv, p. 243.
PERIOD OF REPRESENTATIVES FOR MONEY.			
1160	Italy .....	Paper invented; bills of exchange introduced by the Jews.	Anderson.
1240	Milan, Italy .....	Paper bills a legal tender ..	Arthur Young.
1275	China .....	Paper bills a legal tender ..	Marco Polo.
	Africa, part of .....	"Machutes," (ideal money. This view doubted.)	Montesquieu.
1470	Granada, Spain ..	Paper bills a legal tender ..	Irring.
1574	Holland .....	Pastebord bills, representative.	Dic. of Dates.
Uncertain.	Iceland .....	Dried fish .....	Anonymous.
Uncertain.	Newfoundland ..	Codfish, dried .....	Anonymous.
Uncertain.	Norway and Greenland.	Seal skins and blubber .....	Anonymous.
Uncertain.	Hindustan and parts of Africa.	Cowry shells .....	Jacob, 373.
Uncertain.	North America Indian tribes.	Agate, carnelian, Jasper, lead, copper, gold, silver, terra-cotta, mica, pearl, lignite, coal, bone, shells, chalcedony, wampumpeag, &c.	Anonymous.
Uncertain.	Oriental pastoral tribes.	Cattle, grain, &c .....	Anonymous.
Uncertain.	Abyssinia .....	Salt .....	Anonymous.
Uncertain.	China and India ..	Rice .....	Anonymous.
Uncertain.	India .....	Paper bills .....	Patterson, p. 13.
Uncertain.	China .....	Pieces of silk cloth .....	Ibid.
Uncertain.	Africa .....	Strips of cotton cloth .....	Ibid.
Uncertain.	Not stated .....	Wooden tallies or checks ..	Ibid.
PERIOD FOLLOWING THE DISCOVERY OF THE AMERICAN MINES.			
1631	Massachusetts .....	Corn a legal tender at market prices.	Macgreggor.
1635	Massachusetts .....	Musket-balls .....	Anonymous.
1690	Massachusetts .....	Paper bills, colonial notes ..	Macgreggor.
1694	England .....	Bank notes .....	McCulloch.
1700	Sweden .....	Copper and iron coins .....	Voltaire's Charles XII.
1702	South Carolina .....	Colonial notes .....	Macgreggor.
1712	South Carolina .....	Bank notes .....	Ibid.
1716	France .....	Interconvertible paper bills a legal tender.	Murray.
1723	Pennsylvania .....	Paper bills, colonial notes ..	Macgreggor.
1732	Maryland .....	Indian corn a legal tender at 23d. per bushel.	Anonymous.
1732	Maryland .....	Tobacco a legal tender at 1d. per pound.	Anonymous.
1776	Scotland .....	Tenpenny nails for small change.	Adam Smith.
1785	Frankland, State of, (now part of North Carolina.)	Linen at 3s. 6d. per yard, whisky at 3s. 6d. per gallon, and poultry as legal tender.	Wheeler's History of North Carolina, 94.

A. D. PERIOD FOLLOWING THE FAILURE OF THE AMERICAN MINES.			
Period.	Country.	Substance used as money.	Authority.
1810-1840	All commercial countries.	Great era of bank-paper bills.	
1836	Russia.....	Platinum coins, (discontinued in 1845.)	App. Encyc.
1847	Mexico, parts of...	Cocoa beans; and at Castle of Perote, soap.	Anonymous.
PERIOD FOLLOWING THE OPENINGS OF CALIFORNIA AND AUSTRALIA.			
1849	California.....	Gold dust by weight, also minute gold coins for small change, coined in private mints.	
1855-185-	Australia..... Communist settlement in Ohio, called "Utopia."	Gold dust by weight. Paper bills, each representing "one hour's labor."	Private information.
PERIOD FOLLOWING SUSPENSION OF SPECIE PAYMENTS IN THE UNITED STATES.			
1862	United States.....	Paper bills a legal tender....	Act of Feb. 25.
1863	North Carolina...	Tennepny nails, at 5 cents each, for small change.	Anonymous.
1863	Camp at Florence, South Carolina.	Potatoes for small change...	Yorkville Enquirer.
1863	United States.....	Postage-stamps for small change, temporary.	
1865	Philadelphia, Pa...	Turnips for small change, temporary and local.	Philadelphia Ledger, April.
1865	United States.....	Nickel coins for small change, overvalued.	Act of March 3.

It will be observed that the commodities selected to serve the purpose of money during those early ages when the countries of the world were not connected by commerce were always those of adequate, steady, and diffused supply, and therefore of most common acceptance in each country. Thus, in forestal ages, the skins of wild animals were usually employed; in pastoral ages, cattle;\* in early agricultural ages, grain; in early mining ages, base metal; in early manufacturing ages, glass, musket-balls, nails, strips of cotton, &c.

The significance of this deduction will not fail to be appreciated. After commerce had connected many of the countries, substances common to all countries, namely, the precious metals, were found to be necessary for the purpose of money, and later still, balances of trade were settled by means of bills of exchange representing those metals; and it is worthy of remark that gold and silver are the only substances which have ever been universally used for money.

Development from the early agricultural to the mining, manufacturing, and commercial ages indicates not only a development of occupation, but also a development of political organization. The hunter, the shepherd, the early agriculturist, needed neither social organization nor government. He could prosecute his occupations alone; and in these stages of development mankind lived in isolated families or small tribes of freemen. The progress of agriculture and of mining, which must have followed agriculture,† of manufacturing and of commerce, rendered fixed residences and division of labor necessary, and the protection of the one and regulation of the other demanded the offices of government. The hunter and shepherd could defend himself and his possessions or convey them out of the reach of enemies; the agriculturist, miner, manufacturer, and merchant needed the protection of a military force and the security of well-executed laws.

Following the local or feudal powers which sprang into existence to meet these demands came also those abuses which always, sooner or later, accompany the exercise of power.

The warrior classes reduced the working classes to a condition of predial servitude, and those who at first were mere chieftains of choice became arbitrary and despotic lords paramount. Not least among the powers which they abused were those relating to the coinage and denomination of the precious metals.

Up to this period in the history of countries it is to be remarked that, whatever substance came to be employed for money in each country, whether, as at first, the peculiar and most common product of each respective country, or, as afterward, those substances more or less common to all countries and most convenient everywhere, namely, the precious metals; such substance was employed, as it is now in China, without command or force of law. The importance of this fact cannot be overestimated, for its recognition must ever form the basis of all sound legislation upon this subject. The precious metals do indeed, no doubt, derive some small element of their purchasing power from the fact that now all governments provide that,

when coined in a certain way, they shall be a legal tender for the payment of debt; but this element of value is very small, and probably does not exceed the seigniorage or charge for coinage. Whatever it may be, it is so small that there can be no risk in asserting that, were all the legal-tender laws of the world repealed to-day and forever neither gold nor silver would lose an appreciable atom of their power to purchase present commodities, secure future contracts, or pay past debts. Indeed, with the example of China before us, an example which in this respect at least is not without utility, it is believed to be more than probable that their purchasing power would increase; for setting aside the effect of such repeal upon the continuance of unrepresentative paper notes, it would dissipate the very considerable fears that now attach themselves to every contract wherein the words dollar, pound, or franc are employed to express a given weight of metal.

It has been stated that with the growth of governmental power came abuses in coinage and the denomination of coins. These abuses, like all others, were of gradual growth. The power and authority of feudal lords and monarchs were first employed in this respect beneficially and government was exercised within its proper scope. Local, separated, and diverse systems of weights and measures and of the weights and measures of gold and silver pieces gave way to national, united, and uniform systems. Isolated and anomalous measures of values, adopted in small localities for greater temporary convenience—as pieces of iron in Africa and Sparta and of glass in some parts of Arabia—were prohibited by legal-tender laws; for, so long as they were suffered to exist, they promoted provincial isolation and defeated national homogeneity and political unity. The same laws also provided in what substances debts were to be paid in cases unadjudicable either by express stipulation or common usage.

In these early ages, while men yet retained the power to resist misgovernment, the names attached to pieces of the precious metals were always those of the weights contained in such pieces, as the Jewish shekel, of nearly one-half of an ounce troy; the Attic drachma, of little more than one-fourth of an ounce troy, &c.

To prevent counterfeiting\* and economize time, and thus facilitate exchanges, these pieces of metal were ordered to be coined, and governments monopolized, as governments do still, the function of coining. To the coins thus manufactured were given the names of their weights, and thus far the laws regulating the coinage of the precious metals were honestly conceived and probably as honestly executed.

With the lapse of time, however, coupled with use of coins and the increasing power of authority, abuses crept into the coinage which have lasted to this day. The names of coins, which at first were literal weights, came, for convenience' sake, to be used as symbols; and men no longer bargained for so much gold or silver as would weigh a shekel or a drachma, but for so many shekels or drachmas "current with the merchant." In this state of affairs the temptation on the part of rulers and the classes who environ power to commit abuses became too strong for resistance.

Owing to the frequency of the practice of degrading and debasing the coins in all countries and ages, the quantitative meaning attached to the names of coins has been so often changed, that to interpret these names or the sums of money mentioned in them, in ancient or mediæval historical works, into modern weights is almost an unsafe proceeding, even in the hands of professional metrologists.†

In order to deceptively reduce the pay of the army, what more easy method offered itself to a ruler than that of diminishing by decree and recoinage the weight of pure metal in the "drachma."‡ In order, at other times, to exact greater fees or subsidies, what more easy expedient suggested itself to a feudal lord than to increase the weight of the "drachma"? In cases where the ruler was not unscrupulous enough to tamper with the coin for his own profit, there were never wanting powerful classes of men, both ecclesiastical and secular, to urge him to similar practices for their advantage. Though instances occur in history where the standard was restored after the coins had been debased, the general course of affairs was in the opposite direction—a fact due to the inability of the government to redeem the debased coin.§

I do not propose at this time to enter any further into the history of these events; my object thus far having been merely to show that money, in the early ages, whatever it was made of, came into use voluntarily; was always composed of substances of supposed adequate and steady supply; owed none of its utility to legal-tender laws, which were originally enacted for other and more practicable purposes; and up to the period of the Dark Ages in Europe had consisted for at least three thousand years of gold and silver coins only.

We have now to consider three other points in this connection: the world's supply and consumption of the precious metals, the effects of an inadequate or monopolized supply, and the necessity of adhering to both of the precious metals for the basis of a national currency, whether the same shall consist wholly of the precious metals or partly of convertible paper credits or representative money.

\* False gold coins from Samos were successfully passed in Sparta so early as B. C. 540. (Beckh, §33.)

† The "dollar" of a few grains weight was formerly the "thaler" of more than an ounce, and anciently the "talent" of many pounds.

‡ See instance of Lord King's exaction of his tenants' rents in gold during the bank suspension. (MacLeod's Dictionary, Polit. Econ., I. 98.)

§ The gold scriptulum was debased in Rome so early as B. C. 307. (Beckh, 44.)

\*Shekel, a lamb; pecus, (whence pecunia, pecuniary, &c.) cattle; feoh, (whence fee, Saxon, German, &c.) cattle.

† Mining doubtless originated in that up-turning of the soil which occurs in the pursuit of agriculture. Indeed, history affords an instance of the kind. "In Pannonia the husbandman, while plowing, found pieces of gold." Strabo, VII. (Chrestom.) page 331, as quoted in Beckh, page 10.



## HISTORY OF THE SUPPLY AND CONSUMPTION OF THE PRECIOUS METALS IN EUROPE.

The repeated destructions of historical works previous to the invention of paper and the subsequent one of printing, have left us but little exact information on this subject. We only know generally that previous to the Macedonian empire both of the precious metals were comparatively common in farther Asia\* and scarce in Europe. This much we gather from the sizes of the pieces that were coined and used for circulating money in the respective regions, the prices of commodities and services, the enumeration of royal and princely treasures, and the employment of the precious metals in the arts. The relation of gold to silver in ancient and farther Asia has not been determined.

At a later period, about B. C. 500, we hear of it in Persia, at 1 to 13. After this period and on this point the annals of the Orient were closed for many centuries. At about the same period the relation of gold to silver in Europe was about 1 to 12.5. From this relation gold rose to 1 to 13 $\frac{1}{2}$  and even 15, until the time of the expeditions of Alexander the Great. These, through the influence of the vast treasures in gold of which they despoiled the eastern countries, brought gold down again to 1 to 10, at which rate it stood in the time of the comic poet Menander, about B. C. 300. That it was the fluctuations in the supply of gold, and not those of silver, which occasioned the most of these changes in relation, we are assured from the sporadic influxes of gold alluded to, and from Xenophon's encomium on silver, written about B. C. 383; while Bœckh himself, in his work on The Public Economy of the Athenians, from which these details are gleaned, says generally that "the value of gold is more fluctuating than that of silver," and that "the latter, therefore, may be considered the scale for determining the price of gold as well as of other commodities." (Bœckh, 33.)

After the Macedonian conquests the stock of the precious metals in Europe increased very rapidly until at about the beginning of our era, when, according to the estimate of Mr. William Jacob, it amounted throughout the Roman empire to a quantity equal in value to about \$1,740,000,000 of the present time. The relative proportions of gold and silver are not calculated. The relation of value between the metals in the Roman empire was, about B. C. 207, 1 to 13.7; and about B. C. 50, or 64 years before the period of Jacob's estimate, 1 to 11.9.

From about the beginning of the Christian era to the present time the history of the precious metals has been traced very closely and with great labor and acumen by three great historians: William Jacob, whose work covers the entire period from the year 14 to the year 1830; Baron Von Humboldt, whose work covers the period from the discovery of America until the early part of the present century; and Michel Chevalier, whose work brings the history up to within twenty years of the present time.

The salient points of this long though extremely interesting history are: First, the separation of the Asian and European histories of money from the downfall of the Roman military power until the eastern trade was re-opened in part by the medieval Italians and Arabians and wholly by the Portuguese navigators; and, second, the failure of the European mines previous to the downfall of Rome and the gradual decline of the stock of precious metals thenceforward until the ninth century; its stationary condition until the discovery of America; its rapid increase thereafter until about the beginning of the present century; its subsequent temporary decline from the year 1809 to 1830; its slow increase thereafter; its rapid increase from the time when the effects of the opening of the Russian, American, and Australian mines were felt until within late years; and its stationary condition at the present time.

Omitting from further mention all that is not necessary for the purposes of this review, let us briefly follow Mr. Jacob's history of the precious metals from the beginning of the Christian era.

From the enormous wealth of individuals, the high prices of commodities and services, the vast revenues of the state, and other circumstances, Mr. Jacob conjectured that in the time of Augustus Caesar the quantity of money in existence in ancient Rome, which then substantially comprised the whole civilized world, was £358,000,000, or about \$1,740,000,000. The correctness of this sum is deemed to be rendered the more probable from the fact that Vespasian, when afterward he succeeded to the imperial dignity, asserted that a sum equivalent to £322,916,600 was necessary to support the commonwealth—meaning, not the government, for neither the annual revenue nor the accumulation of the treasury bore any proximate relation

to this vast sum, but the nation at large. It is believed that he mentioned a sum which coincided, as far as is known, with the whole mass of coined money then believed to exist, and upon this supposition, and the inferences to which it leads, historical writers have hitherto been content to rest.

A few instances of the abundance of money at that period may not be out of place. Crassus possessed in lands *bis millies*, (£1,615,000,) besides many slaves and furniture valued at much more. Seneca possessed *cer millies*, (£2,420,000;) Pallas an equal sum; Tentullus, *quarter millies*, (£3,230,000;) Augustus Caesar obtained from private legacies *quarter decies millies*, (£32,300,000,) and Tiberius left at his death *viginti decies millies*, (£21,800,000,) which Caligula lavished away in a single year. Caesar when he went to Spain was in debt £2,015,000, and Antony squandered of the public money more than £5,600,000 sterling.

These facts were compiled by Jacob chiefly from Adams's Roman Antiquities, while the sterling sums were computed by Arbuthnot. I prefer to retain them as originally computed.

Augustus frequently gave *congariæ*, ranging from 4s. 10d. to £2 2s. 1d. per head, to the whole population, men, women, and children; and at his death, left all the common men £2 8s. 5d. each. In this prodigious liberality he was even exceeded by several other emperors, but the instances demand too much space. Milo gave each voter a bribe of £32 8s. 10d. Claudius promised each soldier for his vote £113, and Julian £210 16s. Otho promised to the retainers of Galba a reward of £403 12s. each, and paid them £80 14s. in advance, &c.

In the time of Augustus the gold and silver mines which had kept good Rome's supply of treasure gave out and ceased to be worked. Moreover, there was no more spoil of the precious metals to be obtained in Asia or Northern Europe.

This was due to the exhaustion of those conquered countries, to the unsettled condition of the empire, to wars, the incursions of barbarians, the insufficiency of mechanical resources, the loss of life and hardships of the slaves employed in the mines, which induced them to desert their occupation whenever civil commotion afforded them a convenient opportunity, and to other causes set forth by our author.\*

From that time, therefore, the stock of money decreased, and it has been calculated that the decrement proceeded at the following rate:

Year of the Christian era.	Stock of coin in the civilized world.
14	£358,000,000
50	322,900,000
86	287,960,000
122	259,182,000
158	233,263,800
194	209,937,420
230	181,943,678
266	163,749,311
302	147,374,380
338	132,536,942
374	119,373,245
410	107,435,924
446	96,692,332
482	87,033,099
518	78,229,700
554	70,406,720
590	63,364,657
626	57,027,653
662	51,324,889
698	46,192,320
734	41,573,160
770	37,415,840
806	33,674,256

A calculation so hypothetical as this must not, of course, be taken too literally. It is sufficient if its general correctness is supported by all the facts we know, and this seems to be the case. The gradually deepening misery of the populations of Europe during the medieval ages, the decay of the civil law, the demoralization of society, the disintegration of government and authority, the institution (probably re-institution) of feudalism, the poverty, filth, pestilences, abominable crimes, ignorance, and wretchedness that characterized this period of history and gave to it its well-deserved name of the Dark Ages—these facts are too well known to need repeating. That such a condition of affairs was promoted solely by means of a gradual and constant diminution of the currency is not contended; though it would not be difficult to argue the result from the predicate. But that the diminution of the currency largely contributed to bring it about and maintain it may be affirmed with entire confidence; and the careful thinker will find it difficult to discern a cause that will more satisfactorily account for that extraordinary breaking up of governments and arrest of social development and of the growth of population which occurred in Europe from about the beginning of the present era to the time of the discovery of America.

From the age of Augustus Caesar to that of Charlemagne and the Saxon heptarchy is like going from the mouth to the bottom of the

\* There is an instance in Strabo's sixteenth book of an eastern country, (possibly India) bordering on that of the Sabæans, (Arabia?) where gold to silver was only 1 for 2, and to bronze only 1 for 3. With the instance before us of modern Japan, where gold (purity not stated) was quoted in 1853 at 1 to 4 of silver, it may seem bold to challenge this assertion; but other instances in regard to China assure us that oriental quotations are unreliable, from the fact that in the early ages gold and silver ingots, impure and largely burdened with base substances, circulated as money, and the quoted relation referred to the value of these impure ingots and not to the value of the pure metals. Consult a pamphlet by "a disciple of Franklin," in American Philosophical Society library, Philadelphia, No. 633, page 9, where it is stated that Chinese gold from Sumatra, Celebes, &c., was but 16 to 18 carats fine, and that the relation in China in about the year 1810 was 1 in gold, as there found, to 12 in (pure) silver. At least we can feel fully assured that the relations mentioned by Strabo were local and only referred to the particular locality indicated. Consult Bœckh, page 43. Another anomalous and still more extraordinary though possibly not unauthentic instance of the kind is related in Jacob's History of the Precious Metals, page 37.

\* An ancient law of the Roman senate actually forbade the Italian mines to be worked at all. (Pliny, book iii, chapter 6, quoted in Jacob, 51.)

ancient mines—above, all lightness, happiness, and life; below, all darkness, misery, and death.

These were the ages of alchemists and false coiners. They both sought to obtain gold from base metals; the first by transmutation, the others by arrant roguery. The base pieces they produced were known by the names of pollards, crocards, schuldings, brabants, eagles, leonines, sleepings, &c. Those who were pitched upon as the fabricators of these pieces were visited with fearful punishment. Racking, pressing to death, burning, drowning, and tramping were common enough. Whole families were exported, whole communities robbed and banished, under the pretense of punishing coiners.

Such was the scarcity of the precious metals that living money was used instead. This consisted of men and women, who were thus passed from hand to hand as a legal tender. (Henry's History of Great Britain.) The poverty and degradation of the people were inconceivable. The price of a hawk was the same as that of a man, and robbing the nest of one was as great a crime as depriving of life the other. (Jacob on Precious Metals, p. 170.) Famine and pestilence, superstition and tyranny, terror and outrage, reigned supreme.

These were the Dark Ages; and so profound were the depths into which they cast humanity that nearly a thousand years later Arthur Young thus quoted from the *cahiers* of the "tiers état" of that feudal system to which the Middle Ages had given birth:

Fixed and heavy rents; vexatious processes to secure them; appreciated unjustly to augment them; rents *solidaires* and *reueubables*; rents, *cheantes*, and *le-canties*; *funages*. Fines at every change of the property, in the direct as well as collateral line; feudal redemption (*retraite*) fines on sale to the eighth and even the sixth penny, (part); redemptions (*rachats*) injurious in their origin, and still more so in their extension; *banalite* of the mill, of the oven, and of the cider-press; *corvees* by custom; *corvees* by usage of the fief; *corvees* established by unjust decrees; *corvees* arbitrary and even fantastical; servitudes; *prestations*, extravagant and burdensome; collections by assessments incollectible; *aveux*, *minus*, *impunissement*; litigations, ruinous and without end; the rod of seigneurial finance, forever shaken over our heads; vexation, ruin, outrage, violence, and distinctive servitude, under which the peasants, almost on a level with Polish slaves, can never but be miserable, vile, and oppressed.

Even the liberty to bruise between two stones a measure of barley was sold to these miserable creatures, while the names of the torturer as to which they were subjected are eloquent in their very jargon and variety.

In order to preserve the game, in the pursuit of which the nobles trampled down the wretched crops and rode over the very bodies of the poor, there were numerous edicts, which prohibited weeding and hoeing, lest the young partridges should be disturbed; steeping seed, lest it should injure the game; manuring with night-soil, lest the flavor of the partridges should be injured by feeding on the corn produced, &c.

Recollect that this was nearly a thousand years later than the period from which we have digressed, when, instead of tending downward, as it did until the middle of the twelfth century, society, under the combined influences of an increasing stock of coin, an increasing diffusion of wealth, and increasing industrial activity, was rapidly progressing toward liberty and affluence. Consider, then, what must have been the condition of affairs in the year 806; a period so unspeakably wretched that we have not even a contemporary account of its wretchedness.

Gold was nowhere to be had, and the few gold pieces in circulation were of an ancient Byzantine coinage, (Jacob, 169;) while silver was so scarce that, together with gold, it was at a subsequent period forbidden by an act of Henry V to be used in the arts. (Ibid., 167.)

These instances could be multiplied almost indefinitely, but it is not necessary. It is sufficient if they attest the poverty, wretchedness, and tyranny that attend a decline in the quantity of money or of the only bases upon which any system of money, representative or partly representative, can stand—the precious metals.

I am aware that the reply to this implication may be that it makes no difference how much the stock of coin is, if its only function is to measure value which is merely a relation. This position I admit to be well taken if the stock of money remains forever stationary, or rather stationary *per capita* of population. In such case a grain of silver will measure quite as effectually the relation between a day's work and its equivalent in commodities as a pound of silver will, with a stock of coin fifty-seven hundred and sixty times as great, and if money was already not concentrated in a few hands and there were no debts. The only limitation to the perfect equality of these two conditions of affairs would be that in the one case coins might have to be made too small for convenient handling, or in the other too large.

But in point of fact there is not and never can be a continuously stationary amount of money in existence or even a stationary amount *per capita*. Money, as related to population, has a natural tendency to increase in quantity, because increase of money quickens industry and distributes wealth. Opposed to this tendency are wars, the failure of mines, the abrasion and loss of the precious metals, the insufficiency of mechanical resources, and the influence of wealthy classes. We have seen to what an appalling strait the first three of these causes brought, or assisted to bring, the European world—a strait in which it remained for nine hundred years, until it was freed by the discovery of the mines of Potosi. We shall yet see how the fourth cause operated at about the beginning of this century, and how the fifth cause is operating now.

These opposing tendencies, operating with varying force, alternately diminish and increase the stock of precious metals, and place

the subject quite beyond the category of fixed things. There is nothing fixed about it, and legislation must deal with it with all its eyes and ears opened. Left to itself and the industry and self-seeking of mankind, money would increase as all other commodities increase, and society would rapidly undergo that equalization of wealth which the vagaries of fortune would stamp with equity; but reduced to an unwilling wardship by monarchs and legislatures, dragged hither and thither at the nod of plutocrats, legal-tendered, single-standardized, royalized, taxed, and bedeviled in every imaginable manner, it has been restrained and dwarfed in its increase, and made to become the instrument of half the misery and misery which the world has undergone.

Though there was no increase in the European world's stock of coin from the beginning of the ninth century until the discovery of America, nevertheless there was no diminution. This arrest in the shrinkage of money is due to the invention, or, more probably, the re-invention of bills of exchange, which served to quicken money and enable a limited stock to perform the work of a large one.

The bill of exchange was unknown to the ancient Greeks and Romans. They were even without the use of paper upon which to inscribe these instruments, obligations of debt even so late as the time of the Roman empire having been inscribed upon tablets of wax; the limited supply of parchment being reserved for the higher purposes of literature. Paper was made in China so early as the second century before Christ, at about which time papyrus was invented in Egypt and parchment in Europe.

It is difficult to conceive of a great commercial nation—and there certainly was such a one at the time mentioned—having the use of paper and ignorant of the device known as bills of exchange. Be this as it may, an instrument known as the *hoondee*, and corresponding precisely with the modern bill of exchange, was known in India at a very early date; and the Hebrews, always a trading race, who were among the first to trade with India, "by Tadmor in the desert," very likely learned its use from that country.

These historical conjectures are, however, of little practical value in this connection. The material point is that no sooner was paper invented or introduced into Europe, and possibly a little before,\* than bills of exchange came into use, and that these events correspond with the time of lowest diminution in the stock of coin in Europe.

It has been suggested by some writers that the invention or introduction into Europe of the bill of exchange is due less to the ingenuity of the Jews or the art of making paper than to that improvement in social organizations and extension of political authority which distinguished the Italian republics of the medieval ages. To this suggestion it need only be repeated that bills of exchange were unknown to the Greek and Roman civilizations, and that long after they came into use their use was confined to the Jews, who, whatever may have been their confidence in medieval society and medieval justice and political security, took great care never to trust to them, and traded chiefly with each other.

Following the introduction of bills of exchange came the establishment of those great fairs which for ages performed the functions of so many clearing houses for the inland commerce of Europe; and next the establishment of banks in Italy, Spain, and Holland. The first fair dates from the year 886; the first bank, from which however no circulating notes were issued, was that of Venice, in 1167. These dates are oases in a desert of wretchedness and gloom.

But by far the most important of the several methods of relief which society so eagerly sought in this long era of money dearth was that adopted in Milan, A. D. 1240, this being the year in which, according to Arthur Young, (Travels, 2, 173,) paper circulating notes were first used in Europe. From the fact that at about the same time, or within a few years afterward, paper notes of the same character were employed in China, (Marco Polo,) there is some ground for the belief that the dearth of money in Europe was felt also in that distant and almost unconnected part of the world. In both these instances the notes used were issued by government and made a legal tender for the payment of debts.

Severe bullionists may scoff at this, at the debasement of coins, and at the many other financial dishonesties and enormities, as they are pleased to call them, of the Dark Ages; but let me tell them, who am also a bullionist in so far that I recognize the superior economy, stability, and justice of a money system consisting of, or at least based representatively, wholly or in part, upon, the precious metals, that society could not have been preserved without these measures. Mankind had paid dearly enough in nine long centuries of tyranny, anarchy, and slavery for the boon of a common medium of exchange. To have paid any more for it would have been to pay with life itself, for that which at the best could only economize its labor and alleviate its burdens.

These fiscal measures not only eked out the scanty and stationary stock of coin which existed at that period; they economized its use, saved it from abrasion and loss, added to the rapidity of its circulation, made it perform double work, and thus bridged over the five hundred years of further dearth of money which was to continue until the discovery of America.

\* Some authors (e.g. Putnam's Cyclopaedia) date the bill of exchange in Europe as far back as the year 808; others (e.g. Anderson in his Hist. of Com.) date it, with greater probability, in A. D. 1160.



It is hardly worth while to specifically trace the wonderful and beneficial effects of the relief thus obtained or the era of industrial activity, commercial enterprise, and political enfranchisement to which it contributed, and which it is quite safe to say could not have occurred without it. The financial history of the past three hundred years is sufficiently familiar to every one, and all that is necessary in this place is to insert Mr. Jacob's hypothetical table of the increasing stock of the precious metals following the Dark Ages:

Year A. D.	Stock of coin.
1066.....	£34, 600, 000
1500.....	34, 000, 000
1546.....	49, 400, 000
1600.....	126, 600, 000

The ancient mode of obtaining the precious metals has been described. It consisted of washing auriferous sands and picking with rude instruments such scanty deposits of pure metal as could be found. With the invention of bronze tools and of smelting-furnaces a great impetus was afforded to mining, and this was increased by the invention of iron tools. It was in this condition that the art stood at the Roman era, the use of mercury in quickening and perfecting the process of recovering the precious metals not having been acquired until after the discovery of America. The sixteenth and seventeenth centuries therefore gave to the European world three great sources of increase to its stock of the precious metals: 1. The stock spoiled of the West India islands, the Mexicans, and the Peruvians. 2. The new and great mines of Central America and Peru. 3. The use of mercury in the amalgamation of ores.

Notwithstanding all these new and additional sources of supply, so utter had been the exhaustion of the European world's stock of gold and silver, so eager was the demand for these metals, so rapidly were they absorbed in the arts, in the Asiatic trade,\* and by abrasion and loss, that the world's supply again came to a stand-still shortly after the beginning of the present century. The following are Mr. Jacob's hypothetical figures, which, for the period toward which we are now approaching, must be regarded as corroborated by the various careful computations of Humboldt and other authors. The reduction to dollars is at the rate of five to the pound sterling:

Year.	Stock of coin in the commercial world.	Authority.
1700.....	\$1, 445, 000, 000	Jacob.
1750.....	1, 312, 000, 000	Tooke.
1789.....	1, 987, 000, 000	Gerbonx.
1809.....	1, 849, 000, 000	Tooke.
1827.....	1, 730, 000, 000	Humboldt.
1829.....	1, 557, 000, 000	Jacob.
1830.....	1, 600, 000, 000	Storch.
1839.....	1, 420, 000, 000	Storch.

The social phenomena of this period are too widespread and too directly traceable to monetary disturbances to admit of much doubt as to their connection with the decline in the world's stock of coin. To say nothing of the French revolution and the wars and great political events to which it gave rise—all of which, if they did not spring from, were certainly precipitated by, the unendurable poverty and suffering of the French peasantry, which culminated in riots for bread and the distribution of wealth—this period is characterized by disorders all over Europe. The Newcastle and Scotch banks in Great Britain suspended in 1793, the Bank of St. Petersburg suspended in 1796, the Bank of England in 1797, and again in 1822.† It was during this period that arose the State and provincial banking systems of this country and Great Britain, through which the actual and threatened dearth of money was alleviated by means of circulating notes representing but a small basis of specie. These desperate and unsafe expedients always evince a scarcity of the precious metals. It was during this period that these systems failed over and over again, not, however, without answering for precious intervals of time the important purpose of their establishment. The State banks of the United States failed in 1816, 1819, and 1827, and signally in 1837; the provincial banks of England in 1826 and 1847. Specie payments were suspended in France in 1790, and an enormous issue of assignats and mandats followed. As for the American suspension of 1837 it was felt all over the commercial world, which it shook to its foundations.

What had happened? Some people say wars; others, over-speculation. Perhaps they are right. Causation is a difficult science. But certainly the well-attested decrease in the stock of the precious metals which occurred at about the beginning of the century may have had, and in my opinion did have, much to do with these events. In fact, as Mr. Patterson has shown in his *Economy of Capital*, they were in every case preceded by an export and local scarcity of specie.

\* Humboldt's statement on this subject would lead to the inference that Asia had taken two-thirds of the entire American supply. Forbonnais supposes that between 1492 and 1724 Asia took one-half of the American supply, and Gerbonx's estimate even exceeds this. Mr. Jacob, who reviewed them all, settled down to the opinion that Asia took two-fifths of the American supply between 1700 and 1810. (Jacob, page 307.)

† An abortive attempt to resume specie payments was made in 1817. MacLeod's Dict. Polit. Econ., I, 99.)

Be this as it may, two new sources of relief were hastening to the assistance of society: 1. The adaptation of steam to the processes of mining; 2. The discovery or rather rediscovery of the Ural mines, and the subsequent and more important opening of California and Australia. The new mines were discovered first. The adaptation of steam to their development came much later—indeed, belongs to the past few years.

The following are the statistics of the amount of specie added to the stock of the commercial world from 1848 to 1865:

Year A. D.	Stock of specie in the commercial world	Authority.
1848-53.....	\$2, 500, 000, 000	McCulloch.
1857-'60.....	2, 800, 000, 000	Ruggles.
1872.....	3, 600, 000, 000	Ernest Seyd.

The following are the estimates of various authorities of the stock of gold coin (only) in the commercial or occidental world since 1848:

Year A. D.	Stock of gold coin in the commercial world.	Authority.
1848.....	\$1, 200, 000, 000	Chevalier.
1848.....	1, 332, 000, 000	Est. on Newmarch.
1848.....	1, 030, 000, 000	Est. on Levasseur.
1849.....	1, 306, 000, 000	Jacob.
1853.....	1, 464, 000, 000	Est. on Wagnelin.
1860.....	1, 928, 000, 000	Est. on Newmarch.
1860.....	2, 309, 000, 000	Est. on Newmarch.
1867.....	2, 600, 000, 000	Ruggles.
1872.....	2, 600, 000, 000	Ernest Seyd.

With this vast and refreshing increment of specie, which more than filled the void left by the failure of the superficially worked mines of Mexico and South America at the close of the last century, a new era of industrial activity, progress, and development awaited society; an era which, if entered upon without reserve, might have crowded ten years into one, advanced us a century beyond the present time, and conferred upon each individual of to-day the practical benefits of longevity.

But it was *not* entered upon without reserve. The plutocrats of Europe took alarm at the rapid increase of specie. They could manage to dispose of the surface-washings of gold in California and Australia, but they feared the application of steam machinery to the quartz veins of the Sierra Nevadas, and they put their long heads together and conspired to cheat labor and enterprise of their reward, and mankind of the main element of its circulating media. This was effected by the demonetization of silver.

To succinctly trace the narrative of this ingenious financial device carries us back to the point from which I diverged in order to sketch the history of the supply and consumption of the precious metals in Europe.

The course of the narrative will now be in respect of the relative value of gold and silver.

#### HISTORY OF THE RELATIVE VALUE OF GOLD AND SILVER.

This history naturally divides itself into four periods: The ancient, mediæval, modern, and recent. The first extending from the most remote times to the beginning of the Christian era, or failure of the ancient mines; the second extending from the last-named period when the effects of the discovery of Potosi were first felt; the third from that period to the year 1865, or the date of the arbitrary partial demonetization of silver by five nations; the fourth period to the present time. The accounts which have come down to us of the ancient period are inexact and partial. The relation is either stated in round figures by some careless author or calculated from laws the precise meaning and application of which are not beyond dispute. Each of these accounts relates to a single country, sometimes to a single city, and centuries occur between the date of one account and another. Such as they are they are given herewith:

Table showing the ratio of gold and silver in various countries of the world during the ancient period.

B. C.	Ratio.	Authorities.
1600	13 33	Inscriptions at Karnak, tribute lists of Thutmosis. (Brandis.)
706	13 33	Cuneiform inscriptions on plates found in foundation of Khorsabad.
—	13 33	Ancient Persian coins; gold darics at 8.3 grams=20 silver sigles, at 5.5 grams.
500	13 00	Persia. Darius. Egyptian tribute. Herod. III, 95. (Boeckh, page 12.)
490	12 50	Sicily. Time of Gelon. "At least" 12 50. (Boeckh, page 44.)
470	10 00	Doubtful. Asia Minor. Xerxes's treasure. (Boeckh, page 11.)
440	13 00	Herodotus's account of Indian tributes. 360 gold talents=4,680 silver.
490	10 00	Asia Minor. Pay of Xenophon's troops in silver darics. (Anab.; Boeckh, p. 34.)
407	.....	Spurious and debased gold coins at Athens. (MacLeod, Polit. Econ., p. 476; Boeckh, p. 35.)
400	13 33	Standard in Asia, according to Xenophon.

Table showing the ratio of gold and silver, &amp;c.—Continued.

B. C. Ratio.	Authorities.
400 12.00	Standard in Greece, according to "Hipparchus," attributed to Plato.
400 12.00	Various authorities adduced by Bæckh.
400 13.50	
400 15.00	
404-336 { 12.00	Values in Greece from the Peloponnesian war to the time of Alex-
13.00	ander, according to hints in Greek writers. There were varia-
13.33	tions under special contracts—unit, the silver drachma.
340 14.00	Greece. Time of Demosthenes. (Bæckh, p. 44.)
338-326 11.50	Special contracts in Greece.
343-323 12.50	Egypt under the Ptolemies.
300 10.00	Greece. Continued depression of gold, caused by great influx under Alexander.
207 13.70	Rome. (Bæckh, p. 44.) Gold scriptulum arbitrarily fixed at 17.143 for 1.
100 11.91	Rome. General rate of gold pound to silver sesterces to date.
58-49 8.93	Rome. Continued depression of gold, caused by influx of Cæsar's spoil from Gaul. [N. B.—Cæsar's headquarters were at Aquileia, at the head of the Adriatic, where there was also a gold mine, which at this period became very prolific.]
50 11.90	Rome. "About the year U. C. 700," the rate was 11 19-21. (Bæckh p. 44.)
29 12.00	Rome. Normal rate in the last days of the republic.
A. D.	
1-37 10.97	Rome. Rate under Augustus and Tiberius.

None but the gravest events—events which affected many nations and were felt through long periods of time—sufficed to disturb this relation. The two most noteworthy of these were the vast spoil of Alexander, which he gathered in the Orient and brought into Europe, and the spoil of Cæsar in Gaul, which he sent to Rome by way of Aquileia. These events temporarily depressed gold from the ratio of 12 to that of 10, in the first instance, and from 12 to 8 in the second; but the depression was both local and temporary. Omitting these temporary aberrations, the general range of the ratio in ancient times, so far as the evidence now available furnishes ground for opinion, seems to have been about from 12 to 13.33.

The accounts relating to the medieval period partake more or less of the characteristics peculiar to the ancient. Lesser intervals of time intervene between the dates, lesser distances between the countries, and lesser differences between the rates in one country compared with another. Nevertheless, the condition of medieval society was too unconnected, and the arbitrary and conflicting laws governing the production, consumption, and legal attributes of the precious metals in various countries are too little understood at the present day, if, indeed, they ever were fully understood, to render these quotations of practical value. They will be found below:

Table showing the ratio of gold and silver in various countries of the world during the medieval period. Range 11.44 to 13.51.

A. D.	Ratio.	Authorities.
37-41 12.17	Rome. Reign of Caligula.	The silver coinage much debased, consequently the ratio of the metals pure was about 1 to 11.
54-68 11.80	Rome. Reign of Nero.	
69-79 11.54	Rome. Reign of Vespasian.	
81-96 11.30	Rome. Reign of Domitian.	
138-161 11.98	Rome. Reign of Antoninus.	
312 14.40	Byzantium. Reign of Constantine. Arbitrary.	
438 14.40	Byzantium and Rome. Theodosian code. Arbitrary.	
864 12.00	Probable ratio, as shown by the Edictum Pistense, under the Carolingian dynasty.	
1260 10.50	Average ratio in the commercial cities of Italy. Local or doubtful.	
1344-1660 —	England. Numerous mint indentures given in MacLeod's Political Economy, page 475. The ratio, except when fixed arbitrarily and in violation of market-price, varied between about 1.12 and 1.14 during the two hundred and fifty-seven years included in this period.	
1351 12.30	Ratio in North Germany as shown by the very accurate rules of the Lubeck mint, corroborated in the main by the accounts of the Teutonic Order of Knights, averaged in periods of forty years.	
1375 12.40		
1403 12.80		
1411 12.00		
1451 11.70		
1463 11.60		
1455-1494 10.50	Ratio according to the accounts of the Teutonic knights. As the ratio fixed in England by numerous mint indentures from 1465 to 1509 was about 1.12, this German ratio is considered local or doubtful.	
1497 10.70	Spain. Reign of Isabella. Edict of Medina. Local.	
1500 10.50	Germany. Adam Riese's Arithmetic. Local or doubtful.	
1551 11.17	Germany. Imperial mint regulations. Arbitrary or local.	
1559 11.44	German Imperial mint regulations.	
1561 11.70	France. Mint regulations.	
1575 11.68		
1623 11.74	Upper Germany. Mint regulations.	
1640 13.51	France. Mint regulations. Transition period.	

The extreme range of all of the above quotations which are considered even measuredly reliable is from 11.44 to 13.51, the latter a single instance at the close of the period and after the opening of the American mines. Most of the quotations come within the range of from 11.70 to 12.40, which, considering that the table covers a period of sixteen centuries and numerous countries but little connected by commerce until a late period, serves to show the remarkable constancy of the relation between the metals.

From the time of the conquest of England, A. D. 1066, until the reign of Edward III, there was no gold coined in England,\* and probably none in circulation, and this was doubtless substantially the case also in Continental Europe. Taking this inference in connection with

the commonness and large size of gold coins in ancient times, we are justified in ascribing the decrement of coin during the medieval ages rather to the falling off in the supplies of gold than to that of silver and the fluctuation of the ratio, such as it was, to the aberrations of the gold supply.

We have thus an additional corroboration of the superior stability of silver to gold; a corroboration still further strengthened by the fact that silver alone was, in fact, if not always legally, the standard in England, (Harris, i, 61; ii, 85; ii, 106-7,) and throughout Europe up to about the beginning of the present century.

For the modern period we have more reliable data. This results from the fact that during this period countries became united by commerce; and quotations in one hold good with slight variation for all the others. As at about the commencement of this period all those events occurred which have had any material influence in altering between the metals the relation which previously existed, to wit, the opening of the East India and China trade, the opening of the American mines, and the use of quicksilver in the amalgamation of ores, it is wholly useless in this or any other practical connection to consult any other data concerning the relation of the metals with the view of determining such relation for the future.

Table showing the ratio of gold and silver in various countries of the world during the modern period, or since the opening of the East India and China trade. Range 14.74 to 15.83.

A. D.	Ratio.	Country.	Authorities.
1665 15.10		France .....	Mint regulations.
1667 14.15		Upper Germany ..	Mint regulations. Doubtful.
1669 15.11		England .....	Mint regulations.
1670-1677 .....		England .....	Numerous mint regulations quoted by MacLeod.
1679 15.00		France .....	Mint regulations.
1680 15.40		France .....	Mint regulations.
1687-1700 14.97		Hamburg .....	(Ratios calculated from the bi-weekly quotations of the Hamburg prices-current, giving the value of the gold ducats of Holland in silver thalers down to 1771, and after that in fine silver bars. The nominal par of exchange during this period was 1:14.80, and the quotations show the variations of the market rate in percentage above or below this. At par 6 silver marks-banco were equivalent to 1 ducat; 68.20-47 ducats containing 1 mark (weight) of fine gold, and 27½ silver marks-banco containing 1 mark (weight) of fine silver. Hence, $6 \times 68.20 - 47 \div 27\frac{1}{2} = 14.80$ , the par ratio.)
1701-1720 15.21			
1721-1740 15.08			
1741-1790 14.74			
1791-1804 15.42			
1801-1810 15.61			
1811-1820 15.51			
1821-1830 15.80			
1831-1840 15.67			
1841-1850 15.83			
1851 15.46		England .....	London market quotations—annual averages. These give the price of a given weight of standard silver in shillings and pence. The standard gold is eleven-twelfths fine, and an ounce troy is coined into 934.5 pence, or an ounce of fine gold into 1019.45 pence. The standard silver is thirty-seven fortieths fine. Hence, as fine silver is worth 1.061 times as much as standard silver, if 1019.45 pence be divided by 1.061 times the quoted price of an ounce of standard silver the quotient is the ratio desired.
1852 15.57			
1853 15.33			
1854 15.33			
1855 15.36			
1856 15.33			
1857 15.27			
1858 15.36			
1859 15.21			
1860 15.30			
1861 15.47			
1862 15.35			
1863 15.38			
1864 15.40			
1865 15.33			
1866 15.44			
1867 15.57			
1868 15.60			
1869 15.60			
1870 15.60			
1871 15.59			
1872 15.63			

A glance at this table shows that the extreme range of fluctuation for a period of over two hundred years, closing with the year 1872, was 14.74 to 15.83. Most of the quotations are close to 15½ of silver to 1 of gold. The change from the relation which existed during the medieval period is attributable chiefly to the opening of the oriental trade by the way of the Cape of Good Hope, and the settlement of the different relations between gold and silver which existed in the oriental and occidental worlds. This settlement took place during the seventeenth century; since which time the ratio has remained almost stationary and uniform throughout the world.

I have already stated that the East India trade absorbed a large proportion, estimated at two-fifths, of the whole American product of the precious metals; that is to say, about one-fifth during the seventeenth century and one-fifth during the eighteenth. This proportion consisted nearly altogether of silver. The result of these shipments of silver to the Orient was, that of the supplies of American metal absorbed in Europe, a large portion consisted of gold. With the rise in prices which followed the discovery of America the demand for supplies of gold, as against silver, in Europe, was greater than before, owing to the superior availability of gold at that period for large payments; a superiority which the subsequent growth of banks and places of deposit has now destroyed. This slightly increased demand for gold as against silver must be set off against the urgent demand for silver in the Orient.

The average ratio at Hamburg for the twenty years, 1701-1720, is

\*Essay on coins by Martin Folkes, London, about 1750, quoted in Harris on Coins, ii, 2.



given in the table at 15.21. Sir Isaac Newton, in his report on coins, dated 1717, estimated it at 14.8 to 15 throughout Europe.

At this period the legal relation in England was 15 $\frac{1}{2}$  and silver was, therefore, undervalued by law. The consequence was that a large portion of the silver coin was exported to countries where it was more justly estimated. To remedy the loss of coinage involved in exportation, the weight of the gold pieces was lessened, and instead of eight hundred and ninety, there were coined out of a pound of standard gold nine hundred and thirty-four and a half sovereigns of twenty shillings, or their equivalent, eight hundred and ninety in guineas of twenty-one shillings; or, what is the same thing, the guinea, or pound of guinea gold, of twenty shillings, was ordered to pass current at twenty-one shillings.

We are told by modern apologists for the adoption of the single gold standard in England in 1816, without any support for such statement, that the single gold standard was practically the standard of England from the time of this change in the coinage by Sir Isaac Newton, (MacLeod.) But this fact, however "practical," had nothing whatever to do with the law on the subject.

It appears that some forty years after Newton's coinage reform gold fell in the markets of Europe until it would only purchase 14.74 of silver, while the law valued it at slightly under, (2 Harris, page 54, appears to make it 14.145, but this is unprecise.) Such being the case, there arose an agitation favorable to the payment in gold of the interest or principal on the public debt, which was then largely held abroad, (2 Harris, 53-106.) The argument in favor of this project was entirely sound. The debt had been incurred in "pounds." The "pound" was a money of account consisting of 20 actual shillings of silver, each 11 ounces 2 dwts. fine out of 12 ounces, and weighing 3 ounces 17 dwts. 10 grains; in other words, one pound troy weight of standard silver was coined into 62 of these shillings. By the same mint indenture a pound troy of standard gold was coined into as many guineas as there were in 890 shillings, and by subsequent indentures, previous to the period of the dispute, into as many sovereigns as there were in 934 $\frac{1}{2}$  shillings, (MacLeod, appendix, pages 9, 10.) Why not, then, pay the debt in these gold "guineas?"

The only doubt which could arise as to the equity of this proceeding depended upon the fact as to when (under what indentures) the debt had been incurred, though, in fact, this question was of no importance. But it never seemed to have troubled the disputants, who represented that large and influential portion of the debt which was held at home. They stood upon the pound of silver; declared that that was the sole standard of value; that gold coins were mere tokens, and that the honor of the Crown was involved in the payment of the debt in silver "pounds," which, in point of fact, was only a money of account, (1 Harris, i., 61; *ibid.*, ii., pp. 85, 97,) and had had no actual existence in silver since the days of William of Normandy, and none at all in gold.

The superior talent or persistency of these advocates of plutocracy prevailed over reason and equity, as it prevailed afterward, when they took the opposite side of the argument and showed that gold was the standard of England, and not silver, as it has prevailed in this Chamber, as it has prevailed everywhere and at all times. The books and pamphlets issued on the subject at this period were innumerable, and amid the confusion which they occasioned, the unaccustomed jargon of the mint, and the loud voices of the plutocratical orators, the latter carried the day, and silver was assented to be the sole standard of England.

Some seventy years later, while specie payments were suspended in England, and there was no currency in circulation except unrepresentative and irredeemable bank notes, silver was demonetized by law, as MacLeod says it had been in fact since the period of the measures effected by Sir Isaac Newton,\* and, except for payments up to forty shillings, gold was declared the sole standard of value.

This celebrated enactment, the first one specifically making gold the single standard of value which was adopted by any country, is attributed to the same sinister influence which unhistorically and illogically maintained in 1750-57 that silver was or ought to be the sole standard of England, because at that period gold had become slightly the cheaper metal of the two at the relation denoted by the mint indentures which had existed in Isaac Newton's time. But this inference does not appear to be supported either by the market ratio of the metals at that time or by any other facts known to the authors or supporters of the enactment. The chief of these supporters was Lord Liverpool, whose report on coins antedates by several years the great work of Humboldt on New Spain, and by many years that of Jacob on the History of the Precious Metals. The principal fact in this connection which was known at that time, and which could have influenced the adoption of the single gold standard, was that silver had been slowly falling in value since the period of the bank suspension. The average market ratio for the decade ending in 1790 was 14.74; while for the decade ending in 1800 it was 15.42, and for that ending in 1810 it was 15.61. Beyond this the supporters of the act of 1816 knew little or nothing which could have assisted them in forming a judgment with regard to the probable future course of the metals. The act of

1816 was, therefore, a mere blunder, a piece of empiricism based at most upon a recent and, as it afterward proved, a mere trading and temporary decline of silver. When we come to trace its consequences we shall see what a deplorable blunder it was. And it is just such a blunder that we would now commit in this country if we disregard the present opportunity of restoring the double standard, if we empirically refuse to recognize silver as an essential and component part of the money of the world, simply because for the moment the ratio of silver to gold is depressed.

Having now traced the standard of England down to its latest legal change, which occurred in 1816, it need only be stated briefly in this place that no other country adopted the gold standard, except Portugal, until 1865. The standards of the various principal countries of the occidental world previous to 1865 were either of silver, as in Germany, Holland, Scandinavia, &c., or of gold and silver equally, as in France, Spain, the United States, Belgium, &c. During the interval between 1809 and 1848, when gold was falling off in supply and rising in price, England entered upon that policy of lending in silver and demanding payment in gold, which, but for the widespread bankruptcies which the failure of the gold supplies contributed to occasion in 1837, would have greatly enriched her wealthy classes. They lent capital to all the countries of the world, lent in the cheaper moneys of those countries, (as they lent us later still during our civil war in paper,) and always demanded payment in gold. Like all short-sighted policies, it was a profitable thing so long as it lasted, but its very profitableness forbade it to last.

The creditor may seek support in unjust laws, but nature is on the side of the debtor, and nature redresses the inequalities of laws. As to the effect upon her own people in demonetizing silver during the period when gold was rising in value, it need only be said that England never passed through a more gloomy period than during the half century preceding the opening of California. One has only to read Professor Thorold Rogers's Review of Agriculture and Prices in England from the thirteenth to the nineteenth centuries, and McKay's Working Classes, to be convinced of the fact that during the period, 1816-1848, the English laborer was reduced to a condition but little better than that of his predecessors during the Middle Ages, and infinitely worse than that of his predecessors a century before.

Money became scarce, and, despite the alleviation caused by the invention of banking and paper money, hard times set in. After 1809 the annual supply of the precious metals declined fully one-half, owing to the stoppage of the Mexican mines, consequent upon the war between Spain and her American colonies. The period when the precious metals were most scarce was between 1810 and 1840; and this, as every one knows, was precisely the period when national distress and political agitation were most rife among us. The masses suffered and clamored for reform; the middle classes groaned under the taxation and cried for retrenchment; and in Parliament there arose the policy of peace, to lessen the burdens of a nation which could not afford to go to war. The discovery of the Ural mines of Russia thereafter began to mitigate though not to remove the dearth. But now once more a change has taken place, and the discovery of the rich mines of California, Columbia, and Australia, &c.—Patterson's *Economy of Capital*, page 45.

There is another point in this connection which is well worth mentioning to those who have shown so much eagerness to lead this country into the unwise footsteps which England has trodden in respect of the standard of money. It may, perhaps, not have occurred to them that, with a system of household suffrage such as exists in England, the slightest rise in values has the effect of extending the franchise of voting. This was shown by Mr. Patterson in his *Economy of Capital*, page 60, *et seq.*:

Houses which rented at £8 in 1848 are now rented at £17, which secures the franchise for the occupiers. . . . Taking the case of England in the nineteen years before the new gold supplies came into play, we find that between 1832 and 1851 the registered electors for boroughs increased one-half and those for counties more than one-third, while the total population increased less than one-third.

Here, then, is a reason, in addition to their pecuniary interest, which actuates the ruling classes of England in their monetary legislation, a reason that should teach us of America to beware what hidden pits we may fall into by blindly and subserviently following the politico-economical or legislative footsteps, be they backward or forward, of a foreign country.

We need no foreign advice in the great concerns of state. When that greatest of all political events, the American Revolution, which not only gave freedom to this people, but for the first time in the history of the world divorced church and state, denied the "divine right" of kings, the privileges of class, and the claims of feudalism, and thus gave to all men at once the principles of government and a land in which those principles could be carried into practice—when the American Revolution was organized, did our forefathers send to ask the opinion of the ruling classes of Europe? No. They knew that if they did so, the answer that they would get would be unfavorable to the accomplishment of their ends. These ends were the freedom and happiness of all men. These are what they had fought for and determined upon, and they needed no advice as to how they should secure them in that organization of a state which had been committed to their charge.

We now come to the effects of the gold discoveries in California, which effects, preceded as those discoveries had been by the minor ones of Ural and Siberia, were felt soon after the events that gave rise to them. At this period, about the year 1850, England still had

\* The authorities on this subject, namely, Harris, 1757, Chevalier, 1857, MacLeod, Patterson, and Seyd, disagree as to the legal position of the standard of England from 1717 to 1816. The truth appears to be that the standard was the double one.

the single gold standard, the United States the double standard at 16, France the double standard at 15½, Spain, Holland, and Belgium, (Chevalier, pages 6, 157, 159, and 163,) the double standard, and Germany, Naples, (ibid., page 169,) and other countries the single silver standard. In a word, the silver unit (dollar, thaler, franc, real, or ruble) was a legal tender to an unlimited extent in all these countries except England.

When gold began to pour in from the shores of the Pacific, the first and very proper act of the United States and France was to coin gold pieces and use them instead of silver ones for legal tender. The United States, still holding on to her double standard, stopped coining the silver dollar, and by the act of 1853 coined a gold one, because it was the cheaper one. France also held on to her double standard, (of 15½,) notwithstanding the eloquence of Chevalier, who, like Harris in England, precisely a century before, tried to convince France that the law of 7 Germinal, an XI, (year 1803,) meant a single silver standard instead of a double one. The first care of these two great republics was the interests of their people, and these interests they consulted when they held on to a system which looks to and utilizes the whole supply of the precious metals for the basis of commercial transactions.

Holland and Belgium pursued a different course. These countries, like England, were governed by kings, surrounded by a powerful plutocracy. Like her they were lenders of money, the creditors of other nations, and like her they feared the fall of gold. But unlike England, they had had no single gold standard before; no gold standard while gold was becoming scarce, as during the period 1816-1840; therefore no distress, no agitations, no chartist riots, no reform bills, no clamor for popular representation, no demand for ministerial responsibility. Hence, unlike the British plutocrats, those of Holland and Belgium had no fears to restrain them from adopting a single silver standard when silver became dear. Belgium retired her gold coins in 1854,\* and adopted a silver standard. Holland did the same thing in 1858. (McCulloch Dic., Art. "Precious Metals," says 1847 and 1849.)

The success of the ruling classes in Holland and Belgium in demonetizing gold during this period of its downfall was greatly envied by their brethren in England. Between 1850 and 1857 gold fell from 15.83 to 15.27 of silver, the extremest range, as it has since proved, during more than eighty years, to wit, from 1790 to 1872. The creditor classes of England viewed this depression of their favored metal with great alarm, and fancied that it would go on—as with the same short-sightedness they now fancy that the present temporary depression of silver will go on—forever. Forgetting that they had profited while gold rose, they now demanded that they should not lose because gold was falling. They looked with envy upon the plutocratical legislation of Holland and Belgium, and asked why England should not also demonetize gold and adopt silver as her sole standard of value.

Unfortunately for them, their own short-sighted and blundering legislation of 1816 stood in the way, and nature was reaping its revenge. What was to be done? What had England's plutocratical politico-economists to advise at this period?

Mr. Richard Cobden, while disclaiming any right on the part of the government to interfere with contracts already made, saw no reason why it should be excluded from such interference with the future as might be necessary to facilitate voluntary contracts. (Chevalier, page 6.)

Mr. James MacLaren recommended the establishment of life-insurance companies on the basis of a silver standard. (Ibid.)

Mr. Cobden, quoting this suggestion with approbation, proposed to adapt it to all contracts extending over a long period of time, and even thought of evading the consequences of the depreciation of gold by resorting to the primitive practice of paying in kind, as by granting farm leases upon a rent to be regulated by the price of produce! O, sophistry, sophistry, how desperate are thy convolutions!

In short, England was fairly caught in her own toils, and but for the retention of the double standard in the United States, France, and other countries, which enabled these countries to absorb the new supplies of gold by replacing with them their silver coins, which they exported to Asia, wherewith to pay for goods, the relations of commodities and services in England—and this involved her entire political structure—would have been revolutionized. As it was, her government barely escaped overthrow, and the agency that saved her was that very double standard which the selfishness and folly of 1816 had overthrown in England, but which, fortunately for England, other nations had retained.

The consequences of these various measures, during the fall of gold from 1848 to 1865, were, that England prospered in spite of her foiled plutocracy, France prospered, and the United States prospered, and an era of industrial activity was opened in these three great countries the like of which had never been seen before. This was the

distinctive era of labor-saving machines, international expositions, railways, life-insurance, clearing-houses, and great commercial reforms.

#### THE RECENT PERIOD.

Table showing the ratio of gold and silver, chiefly\* in the London market, during the recent period, or since the demonetization of silver effected by the act of February 12, 1873. Range, 15.9 to 17.82.

Year.	Ratio.	Country.	Authorities.
1873 .....	15.90	England .....	Annual average, calculated as above.
1874 .....	16.15	England .....	Annual average, calculated as above.
1875 .....	16.45	England .....	January .....
1875 .....	16.41	England .....	February .....
1875 .....	16.50	England .....	March .....
1875 .....	16.47	England .....	April .....
1875 .....	16.55	England .....	May .....
1875 .....	16.88	England .....	June .....
1875 .....	16.97	England .....	July .....
1875 .....	16.92	England .....	August .....
1875 .....	16.74	England .....	September .....
1875 .....	16.74	England .....	October .....
1875 .....	16.75	England .....	November .....
1875 .....	16.89	England .....	December .....
1876 .....	17.08	England .....	January .....
1876 .....	17.46	England .....	February .....
1876 .....	17.82	England .....	March .....
1876 .....	17.69	England .....	To April 12. Average, 17.69.

\* The table from which the quotations for 1875 and 1876 are obtained is "deduced from quotations on the London and New York markets."

We now come to the next important change in the history of money and the standard—the era of the silver-bearing mines of the Comstock lode, of the demonetization of silver in several important countries of continental Europe, and its demonetization in the United States through the agency of the act of 1873.

This era opened in 1862 with the exportation of the entire stock of silver as well as other coin of the United States, consequent upon the adoption of an unrepresentative paper currency by the act of February 25 of that year. In the same year also occurred the discovery of the great silver-bearing mines of Washoe.

The ratio of silver to gold in the markets of the world was thus threatened with depression from two causes acting simultaneously: First, the demonetization of a large stock of coin by an important country; second, the discovery of new and very productive silver mines. It was not forgotten by financiers that, together with our silver, we demonetized a much more valuable stock of gold, nor that Washoe was still in its incipency. Therefore, it was not until 1863 or 1864 that the bearing of the events of 1862 upon the probable future ratio of silver and gold began to be discussed in Europe. Their bearing, however, was not wholly dismissed from consideration, and as the Washoe mines gave more and more promise of great production, discussion in Europe with regard to the tendency of the ratio became more and more common.

In England the anticipated decline of silver was regarded with great complacency. It was a veritable windfall for her plutocracy; a parachute to retard the previously threatening decline in the purchasing power of gold; a governor to that engine of their own construction, which they had built in 1816 and regretted since 1848.

As the great mines of Washoe became further developed the continental plutocracy also began to prick up its ears. It was at this period organized and formidable, which is more than can be said of it in 1848, when the red flag flaunted in its face from every corner of Europe. France was now an empire; Italy a united kingdom; Greece a newly fledged monarchy. The plutocrats of these countries could have their own way now.

Nature, steam, and the Comstock lode labored for mankind; the silver treasures of the Sierra Nevada began to make themselves felt in the coinages; the gold product fell off, and gold went up to nearly sixteen of silver. It was therefore in the interests of the plutocracies to demonetize silver and adopt gold as the sole standard of value, and they endeavored to convince society that gold alone was the true standard.

The reading world was flooded with pamphlets and magazine articles on the subject, penned by the highest order of talent, which, too often neglected by the people, is forced to ally itself with power; conventions, with cut-and-dried programmes, were called to discuss the matter; advocates were employed and charlatans retained to drown with the clamor of numbers the modest voices of science, equity, and reason. Another motive urged the plutocracies to their course. So long as silver was harbored as a legal tender in Europe, the United States, by being the principal producer of that metal, might become the money center of the world—a matter of no little concern to London, Paris, and Berlin.

An international monetary convention was held in Paris in 1865, and a treaty concluded between France, Belgium, Italy, and Switzerland, in which Greece and Roumania subsequently joined, by virtue of which these countries so limited the mintage of their legal-tender silver coins as to prepare to make gold their sole standard of value, and partially demonetize silver. Taught by previous experience, they did not actually demonetize silver, but left the law in such a condi-

\* After having cut off her own tail, Belgium, through the agency of her distinguished plutocratic politico-economist, M. Gustave de Molinari, endeavored to induce France to do the same thing. This effort was made through the medium of the pages of the *Économiste Belge* of 10th February, 1857, in which M. Molinari recommended France to demonetize gold by reducing her gold coins to tokens, and adopt the single silver standard after Belgium.

† In Jevon's latest work Messrs. Scrope & Lewis are quoted as in favor of adopting the average of one hundred articles of produce as the measure of value.



tion that by a concerted change in the coinage regulations either gold or silver, if need be, could be made the sole legal tender, and by adopting whatever happened to be for the time the dearer metal, a see-saw between silver and gold could be kept up for the benefit of plutocracy at every change of market relation.

There can be no see-saw unless the legal relation between the metals is permanently fixed and unalterable. When this relation is altered from time to time, as it should be, (once in ten or twenty years would practically be often enough,) to accord with the slow fluctuations of the markets, neither the creditor, who would demand the dearer metal, nor the debtor, who would proffer the cheaper metal, could profit by having his choice. But when the relation is unalterably fixed or difficult to alter, as is the case in France, then the creditor who always demands the metal that abroad commands a premium, or the debtor, who would pay in the one that can be purchased abroad at a discount in the one which is the legal tender, derives an advantage.

This treaty of 1865 was to last until 1880, and with certain modifications is still in force. England did not enter into it. Gold was now to become dearer, and in her present political condition, when popular interests have the power to be heard, her plutocrats feared to open a question which might overthrow the advantages they already possessed. England had a single and peremptory gold standard. Why should she enter into a treaty which would make her a party to only a permissive gold standard, a standard which, practically, when the treaty expired, and before gold fell in price again, might be changed by a concerted coinage regulation?

But although British plutocracy saw nothing to be gained by entering into the monetary treaty of 1865, it saw something to be gained by attending the congress which preceded the treaty and the subsequent convention which was held in 1867 with the view to extend the operation of the treaty. That something was to draw the United States into the treaty, the United States which were, as yet, not bound to a gold standard at all, either permissive or obligatory.

Accordingly England sent her delegates to both conventions. They were instructed to say nothing which would bind England, but to carefully watch and report the proceedings until, I presume, the hands of the United States were fairly into the fire and the chestnuts safely landed for the benefit of the ruling classes of England. These instructions were carried out with great skill. The Frenchmen arranged the programme, the Germans did the arguing and philosophizing, the Englishmen listened, and the American delegate, overcome by the plutocratic atmosphere that surrounded him, walked straight into the trap that had been set for him. The convention was called for the nominal purpose of unitizing the weights of the coins of various nations. Its real object, which it fully accomplished, was to commit the United States to the adoption of the gold standard while gold was growing dearer, so that the interest and principal of her public, corporate, and mercantile indebtedness, held mainly in Europe, which was then under our laws payable in the silver dollar of 371½ grains pure, should be made payable in the temporarily more valuable gold dollar of 23.22 grains pure. Of course the United States was not bound by this vote of its delegate in the international monetary convention, but the vote had its influence. It tended to sway the judgment of the Congress of the United States when the question came up; that is to say, tended to sway it so far as it was called into exercise at all.

#### DEBATE ON THE AMERICAN DEMONETIZATION ACT OF 1873.

But the manner in which this legislation was effected leaves but little reason to infer that any deliberate judgment was exercised on this important subject of the standard, or that the question was ever so presented to the American people as to elicit the indorsement or the approval of any single congressional constituency. The bill by which it was effected originated, as I understand it, in another bill which was introduced into the House of Representatives February 9, 1872. It was discussed for a few moments on April 9, 1872. Then the discussion was cut short, and a substitute, the present law, reported by title on May 27, and passed without a reading, under a suspension of the rules, May 29, 1872. From the House it went to the Senate, where, without any discussion at all upon the all-important section 14, it passed; and, after concurrence by the House, again without a discussion, became a law.

I am aware that it has been stated that the bill was passed after very full discussion on this subject; but I am unable to find a corroboration of this statement in the official report of the proceedings. If any such full discussion appears in the Congressional Globe, I shall be glad to have it pointed out in order that I may correct the impression now on my mind in respect of this matter.

This bill was originally reported to the House of Representatives February 9, 1872, from the Committee on Coinage, Weights, and Measures by its chairman, Mr. Hooper, of Massachusetts. It was discussed for the first time April 9, 1872, when Mr. Hooper informed the House that Mr. Ernest Seyd, of London, a distinguished writer on coins, had examined the first draught of the bill and "furnished many valuable suggestions which have been incorporated in the bill." Curiously enough, Mr. Seyd is an uncompromising advocate of the double standard, and it is to be regretted that having received Mr. Seyd's advice the committee only saw fit to follow it wherein it was entirely unessential and to disregard it in its most important feature. Mr.

Hooper then assured the House with regard to section 14, where the standard was changed by implication from the double to a single gold one, that the reason for this change was that the silver dollar was worth \$1.03, a mere accidental and temporary fact which afforded no sound reason for abandoning the double standard. Subsequent events have proved that the option which we then enjoyed of paying in silver or gold dollars at pleasure was of the highest importance to the American people, and should not have been surrendered. Even if the fact as to the premium on the silver dollar were permanent and assured, the simple remedy would have been to change the legal relation between gold and silver.

Mr. Hooper also stated that the single gold standard had been adopted in Great Britain and most of the European countries, which latter statement was certainly not correct. (Congressional Globe, second session Forty-second Congress, part 3, page 2305.)

Mr. Stoughton, who followed Mr. Hooper, repeated the statement that the silver dollar was worth, he said, 3½ per cent. premium. (Page 2309.)

Mr. KELLEY, who followed Mr. Stoughton, said it was worth 3½ per cent. (Pages 2311 and 2316.)

Mr. Potter, of New York, appeared to be the only member, beside the movers, who suspected the real character of the bill. He said, (page 2310):

I confess that the introduction of the bill at such a period (during a suspension of specie payments) excited my suspicion. I was and am at a loss to gather from anything I know or can learn that there is any necessity for the adoption of this measure now.

Among the objections he had to the bill was that—

It provides for the making of changes in the legal-tender coin of the country, and for substituting as legal tender coin of only one metal, instead as heretofore of two. (Page 2310.)

Finally, he stigmatized the bill as a cover, and that it was "gotten up to be a cover," among other things, for the coinage of nickel pieces in order to enhance the market value of nickel and benefit the monopolizers of nickel mines and processes. (Page 2312.)

And the impartial observer at the present time finds it difficult to account for the introduction of such a bill when specie payments were suspended and unprovided for, unless upon some such ground as Mr. Potter suggested, to wit, either the interest of the owners of nickel mines at home or that of creditors at home or abroad.

But of what avail was argument or objection? The discussion was cut short by a motion to adjourn, and the discussion was never renewed. The next we hear of the bill is that it was pushed through on the 27th May, under a suspension of the rules, without even a reading, and that it went to the Senate. (Page 3883.) There it was reported by title on the 28th May, referred by title to the Finance Committee on the 29th May, and passed at the following session, without, so far as can be ascertained from the Congressional Globe, having ever been fully considered.

#### CAUSES OF THE RELATION OF 15½.

Turning away from these details to the general history of the relative value of the precious metals, the principal, and by far the most important fact to be observed, is the remarkable steadiness which this relation has shown for over two hundred years.

The question now arises concerning this constancy in the relation in value of gold and silver since the early part of the seventeenth century: to what is it due? We have seen that this relation has been almost constantly and with slight variation 15½. Why has the pivotal point of this relation been just 15½? Why not 13, as in the days of Herodotus? Why not 12, as in the feudal ages? Why did it not fall to 20 when Potosi poured its silver treasures upon the world? In short, why did it center at 15½ and remain there? A satisfactory answer to this question cannot fail to be important, because it will afford a guide which will enable us to compute the probable variation of the relation between silver and gold in the future.

Since the opening of the East Indies and China trade in the early part of the seventeenth century the relation of gold and silver in the Occident and gold and silver in the Orient became equalized. At the same era, also, the Spanish-American silver mines were opened, and the use of quicksilver in amalgamating ores discovered. These three events changed the pre-existing relations in the whole world. The first raised the value of silver; the second and third lowered it; the three together placed it at 15½, kept it there, and equalized it all over the world. The oriental trade continues, the American silver mines are still productive, the process of amalgamation is still employed. Therefore the conditions of production and consumption are essentially the same as they have been for over two hundred years. When we consult those conditions with the view of determining the cause of the relation between gold and silver, we find that the same quantity of capital, superintendence, labor, or of those commodities necessary to support capitalists, superintendents, and laborers, as food, clothing, shelter, &c., and of materials, such as quicksilver, tools, machines, &c., as are, on the average, employed to extract fifteen and a half pounds of silver from the earth will only produce one pound of gold. This is the average of all countries and of over two hundred years of trial. It comes to this at last. This is the boiling down of the whole subject.

It will, of course, be understood that the several rewards of capi-

talists, superintendents, and laborers, in other words, their share of production, differs in various countries, and has differed at various periods ever since the opening of India and America. So, also, has the effectiveness of laborers. Hence the reward of each of these classes of persons has differed enormously. But, as under the same difficulties of production—and these have not changed as between the metals during the past two centuries, and are not likely to change in the future—the sum total of their contributions to the work has been the same, it follows that, as before stated, it is the total outlay of capital and labor, applied respectively to gold and silver, that has determined the relation of value between them.

When, at any given time or in any given country, the same outlay of capital, labor, materials, &c., that is sufficient to result in the production of one pound of gold, if removed from gold and applied to silver mining, will produce more than fifteen and one-half pounds of silver, the labor, materials, &c., will be removed from the production of gold to that of silver. When, at another time or in another place, the outlay sufficient to result in the production of fifteen and one-half pounds of silver if devoted instead to gold, will produce a fraction more than one pound of gold, it will, as a matter of course, be devoted to gold. The same laborers and the same capital, plant, tools, materials, &c., are not always removed from one industry to the other. One industry ceases in one place; the other may spring up in another place. It amounts to the same thing either way. These changes do not occur on the instant; they come about in time. When mines cease to be profitable at the long-established relation in value of silver and gold—a relation that finds its reflection in the prices of the services and commodities necessary to carry on the works—they are not abandoned at once, but continued in the hope of improvement. If no such improvement occurs they must eventually stop, for men will not and cannot go on forever losing money at mining.

This, then, is the basic reason for the long-time relation in value of silver and gold. The average result of over two hundred years of experiment in all parts of the world assures us that fifteen and a half pounds of silver and one pound of gold are equivalents, and this assurance is as solidly supported in respect of the future as we find it in respect of the past. Now that the most remote parts of the world are connected by commerce, nothing can weaken it, unless it were possible that some very great and peculiar improvement in mining or the recovery of ores could take place in respect of one metal and not of the other. For example, suppose an improved method of extracting or recovering gold was devised which was inapplicable to silver, then gold would be produced more cheaply than now and silver would rise in value, or *vice versa*, in case the improvement could be applied to silver and not to gold.

But this is impossible: first, because the nature and qualities of the two metals are so nearly alike that any improvement applicable to the extraction or recovery of one must apply also to the other; and, second, because the geological distribution of the two metals is such that, in many of the large deposits of the world, they lie together in the same matrix. They must therefore be taken out together, and the quartz which contains them both, must be crushed, amalgamated, separated, and refined by one and the same process. The quartz matrices of the mines of the Sierra Nevadas generally contain about 1,000 troy grains of gold to every 24,000 grains of silver, or about 40 per cent. in value of gold to 60 per cent. in value of silver, and the proportion in other great silver mines of the world varies from 20 to 50 per cent. in value of gold to that of the two metals combined.

Here, then, we have an unalterable reason why all improvements in the art of mining the precious metals must apply equally to both of them, and also why, indeed, so long as one metal is produced, so must be the other. Coupled with that of the relative cost of producing them, as ascertained from an experience of several centuries, this fact assures us not only that 15½ has been the average relation between the metals in the past, but also that it will remain the average relation throughout the future.

The relation being thus fixed, there are powerful influences to keep it there and prevent it from yielding to any temporary vicissitudes, however prolonged, in the supply of the two several metals, such, for example, as the accidental finding of large alluvial deposits or placers of gold, as in the early history of California and Australia. These influences are: First, the vast stock of the precious metals already in existence in the world; and, second, the steadying action of the double standard in the countries where it prevails.

I will discuss these two questions in the order named. First, of—

#### THE WORLD'S STOCK OF THE PRECIOUS METALS.

*Estimated stock of the precious metals in coin, plate, &c., in the world at or about the various periods 1803, 1829-1839, 1848-1853, and 1872.*

Period.	Gold.	Silver.	Total.
1803.....	\$1,800,000,000	\$3,300,000,000	\$5,000,000,000
1829-1839.....	2,800,000,000	4,000,000,000	6,800,000,000
1848-1853.....	5,800,000,000	5,600,000,000	11,400,000,000

*Estimated stock of the precious metals in coin in the occidental or commercial world at or about the various periods 1803, 1829-1839, 1848-1853, and 1872.*

Period.	Gold.	Silver.	Total.
1803.....	\$900,000,000	\$900,000,000	\$1,800,000,000
1829-1839.....	800,000,000	1,000,000,000	1,800,000,000
1848-1853.....	1,200,000,000	1,300,000,000	2,500,000,000
1872.....	2,600,000,000	1,000,000,000	3,600,000,000

*Estimated stock of the precious metals, chiefly silver, in coin in the oriental or transcommercial world at or about the various periods 1803, 1829-39, 1848-53, and 1872.*

Period.	Stock of coin, chiefly silver.
1803.....	\$700,000,000
1829-39.....	800,000,000
1848-53.....	900,000,000
1872.....	2,100,000,000

The above data are derived from a comparison of Ernest Seyd, Wolowski, Jacob, Newmarch, Chevalier, and McCulloch.

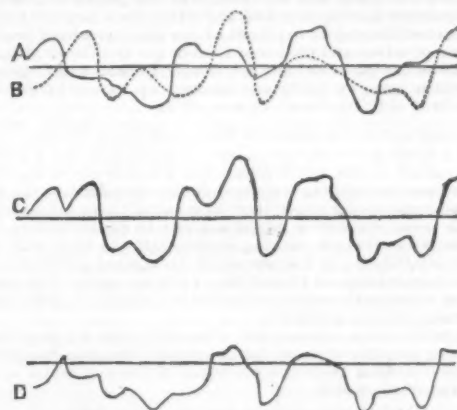
#### INFLUENCE OF THE STOCK OF THE PRECIOUS METALS.

The influence of this stock of the precious metals is perhaps the most important feature of this whole subject, and yet, so far as I am aware, it has either wholly escaped notice or been referred to with but slight appreciation of its consequence.

#### STEADYING ACTION OF THE DOUBLE STANDARD.

The second great influence which tends to keep steady that relation of 15½ to 1 which the commercial brotherhood of the world and the conditions of the productions of the precious metals have primarily occasioned, is the steady action of the double standard. I can best and most briefly exemplify this action by quoting from Professor Jevons:

The prices of commodities do not follow the extreme fluctuations of value of both metals as many writers have inconsistently declared. Prices only depend upon the course of the metal which happens to have sunk in value below the legal rates of 15½ to 1, (or whatever else it may be.) Now, if in the accompanying figure we represent by the line A the variation of the value of gold as estimated in terms of some third commodity, say copper, and by the line B the corresponding variations of the value of silver, then superposing these curves, the line C would be the curve expressing the extreme fluctuations of both metals. Now, the standard of value always follows the metal which falls in value, hence the curve D really shows the course of variation of the standard of value. This line undergoes more frequent undulations than either of the curves of gold or silver, but the fluctuations do not proceed to so great an extent, a point of much greater importance. (W. Stanley Jevons on "Money and the Mechanism of Exchange," New York. Appleton, 1875, page 138.)



The effect of employing the two metals together is to modify the action of each. Such dual employment prevents one from rising and the other from falling, so that the fluctuations in either "do not proceed to so great an extent" as they otherwise would.

#### GOLD BY ITSELF NOT A CORRECT MEASURE OF VALUE.

Money is a measure, as the bushel, the rule, and the scale are measures. The bushel measures capacity, the rule extension, the scale gravity, while money measures value. All of these measures are expensive; expensive to produce, expensive to maintain, expensive to preserve. Nor is money by any means the most expensive, it being deemed quite susceptible of demonstration that, compared with the services it performs, it costs even less than the others. Yet, expensive as they are, their use must nevertheless be a source of economy to mankind or they would certainly not be employed. This employment and the economy to which it is due ceases the moment the measures fail of uniformity, definiteness, precision, exactness, and steadiness, for it is in their excellence in these respects that their whole utility resides.



The discordance of moneys, weights, and measures has probably been in all ages one of the first and greatest obstacles which the world's commerce had to overcome, and even the progress of local commerce has had to wait upon uniformity in this respect. Indefinite and unprecise measures are an intolerable evil which men avoid even at the expense of much that is desirable.

What, then, shall be said of measures that are not only discordant and unprecise, but fluctuating also? What would be said of a bushel that alternately contracted and expanded, and contracted more than it expanded; of a rule of elastic rubber, or a pair of scales with a shifting fulcrum? And what shall be said of a fluctuating measure of value?

Yet this is what money is, if gold be regarded to the exclusion of silver.

To be convinced of this it is only necessary to consider the statistics of the precious metals which have just been adduced.

From these tables it will be observed that since nearly the beginning of the present century the stock of coin in the commercial world has exactly doubled; that is to say, it has increased from \$1,800,000,000 to \$3,600,000,000, an increase that very closely corresponds with population—the population of the occidental world having been 180,000,000 in 1810 and 360,000,000 in 1875. (Essay in New York Independent, March 11, 1875.) Taking both of the precious metals together, the stock of coin has been as nearly as possible \$10 *per capita* of population at each of the four dates mentioned since the beginning of the present century.

At these periods at least, and we have the data for no others, the measure in the commercial world has been apparently unvarying, and this appearance has deceived many writers on the subject; but it is by no means true.

The effective measure of value is not the whole stock of coin, but that portion of it which the law permits to be tendered for the payment of debts. To this should be added the paper substitutes which are from time to time temporarily employed and accepted for the purpose of large payments, and which fluctuate in volume with the vicissitudes of credit and the adoption, transitory operation, and eventual failure of legislative expedients.\* The balance of coin or credit no more form a part of the measure of value than do the precious metals when locked up in the form of a plate. Now, how much the legal-tender coin and substitutes of the commercial world amounted to at the various dates given is difficult to estimate. An effort in this direction will, however, be made.

#### ESTIMATE OF THE EFFECTIVE MEASURE OF VALUE IN 1803.

In 1803, either the single silver or the double standard prevailed in all the occidental countries and, except in England, where gold was erroneously overvalued and silver degraded, it was fixed in those countries at such a relation and the coinage of the pieces so arranged (I do not remember having heard of any silver piece heavier than that of two German thalers) as to permit of the employment of nearly the whole mass of silver and gold coin then in the Occident. There was some legal-tender paper or bank paper afloat, notably in England and Russia, which brought the whole amount up to, say \$2,000,000,000, with a ratio of activity, let us assume, of 1.

#### ESTIMATE OF THE EFFECTIVE MEASURE OF VALUE IN 1872.

In 1872 a single gold standard existed in Great Britain; a restricted double standard in the Latin countries; a single silver standard in other European countries; a disused double standard in the United States, and legal-tender paper notes in many of these countries. The sum of all these currencies might amount to \$4,000,000,000, with a ratio of activity of, say 2, making \$8,000,000,000 in 1872, with a population of 360,000,000, or \$22 *per capita*, as against \$2,000,000,000 in 1803, with a population of 180,000,000, or \$11 *per capita*. The effective measure of value in the occidental world has, therefore, doubled since the beginning of this century.

As it is worth while to ascertain, if possible, how we may obtain a least varying measure of value for the world it becomes necessary for this purpose to turn from the statistics of the occidental world to those of the whole world.

#### THE WORLD'S STOCK OF COIN AND POPULATION.

Assuming that without royal, seigniorial, or legislative interference, the relation of the mass of private credit current for money, to the mass of money, would be constant, let us confine our observation to the stock of metal money in the world. In 1803, with a population of, say 900,000,000, it was \$2,500,000,000; in 1829, with a population of, say 1,000,000,000, it was \$2,600,000,000; in 1848-'53, with a population of, say 1,100,000,000, it was \$3,400,000,000; and in 1872, with a population of, say 1,200,000,000, it was \$5,700,000,000.

\* If legislation were wholly removed from the subject of money except to announce and fix the relation of the metals from time to time, and generally as to police functions, we would have both the metals in circulation plus an amount of free bank paper which would bear an almost constant relation to the sum of the metals. The measure of value in such case would be easy to ascertain; as it is, nothing is more difficult.

† Behm and Wagner sum up the population of the world for 1873 at 1,391,000,000, but in this they include China at 446,000,000. There is no authority for this extravagant figure besides that of the Chinese mandarin's communication to Lord Macartney in 1795. It was therein stated at 33,000,000, which was probably excessive by more than one-half. Consult the numerous and much more reliable estimates in Malte-Brun's Geography.

#### SWELLING OF THE MEASURE OF VALUE SINCE 1803.

These figures give an average of coin *per capita* throughout the world amounting to \$2.83, \$2.60, \$3.00, and \$4.75, at the respective periods named. If the assumptions of population here employed are admitted to be even approximately correct, then, even without reckoning greater activity of money now than formerly, it would follow that there has been no more fixedness in the relation of the world's coin and population than there has been in that of the effective measure of value and population of the Occident. They have both doubled, or about doubled, since the beginning of the century—doubled *per capita* of population. The coin of the world *per capita* and the effective measure of value of the Occident *per capita* (i. e., the coin and circulating credit of the Occident combined) have both doubled.

What has caused this doubling, this unsteadiness of the measure of value? Has it been due to diminution in the population of the world? No. We know that the population of the occidental world has more than doubled since the beginning of the century, while the figures assumed for the oriental world exhibit a very small increase, (Japan increases very slightly. As to India and China, they are probably stationary.)

Has it been due to superabundance in the stock of silver? No. That stock was \$1,600,000,000 in 1803; \$1,800,000,000 in 1829; \$2,200,000,000 in 1848, and \$3,100,000,000 in 1872. Its ratio to population has been, as the ratio of money to population always should be, a slightly increasing one; but the relation has been substantially constant.

#### THE MEASURE OF VALUE SWOLLEN BY GOLD.

The swelling of the measure of value has been due to an enormous increase in the stock of gold. This amounted to \$1,800,000,000 in 1803, and twenty-six years afterward it had not increased. During the next nineteen years it increased 50 per cent., and during the following twenty-four years it increased 116 per cent. over the previous increase. In 1848 it was \$1,200,000,000, in 1872 it was \$2,600,000,000; by the end of the present century it will probably have fallen again to \$2,200,000,000, perhaps to \$2,000,000,000. So much for a metal which depends upon placer mining for its chief supplies.

This is the steady and unvarying measure of value to which the advocates of the single gold standard would commit us!

So far as steadiness is concerned, and irrespective of all other considerations, gold does not deserve to be used as money at all, and the old nations of Asia, who tried this metal more than thirty centuries ago, appear to have long since come to this conclusion; but the gradual increase of the mass of silver and the weight of the coins, together with the fact that gold frequently occurs with silver in the same matrix, give a place to gold which the unsteadiness of its supply would otherwise deny to it.

#### ANNUAL PRODUCTION OF GOLD AND SILVER SEPARATELY.

The validity of the statistics which have been quoted rests upon authorities—Wolowski, Seyd, Chevalier, McCulloch, and Jacob—whom the reading world has thus far been satisfied to accept as safe guides. The important and conclusive deductions drawn from them are, however, not without an amplitude of other support. They are to be drawn also from the statistics of the annual production of the precious metals, the validity of which will admit of but little question.

*Estimated annual production of the precious metals throughout the entire world (exclusive of India, China, and Japan\*) at various periods during the nineteenth century. Sums in millions of dollars and tenths.*

Period.	Gold.	Silver.	Total.	Authority.
1800†	.....	36.3	49.3	Phillips.
1801	13.0	.....	.....	Birkmyre.
1829	5.0	20.0	25.0	Estimate based on McCulloch; McCulloch's Dic. of Commerce.
1846§	29.2	35.5	61.7	Westminster Review, January, 1876.
1848	67.5	.....	.....	McCulloch.
1850	93.2	43.9	137.1	Westminster Review, January, 1876.
1851	120.0	.....	.....	Journal des Economistes, March, 1876.
1852	182.5	40.5	223.0	Westminster Review, January, 1876.
1853	193.7	.....	.....	Journal des Economistes.
1854	155.0	40.5	195.5	Blake.
1855	.....	.....	160.0	Whitney, by countries, App. Cycl., XV, 53, new edition.
1856	47.4	.....	.....	Journal des Economistes.
1857	127.0	40.5	167.5	Ibid.
1858	135.0	40.5	175.5	Ibid.
1859	147.5	40.5	188.0	Ibid.
1860	132.0	40.5	172.5	Ibid.
1861	.....	.....	195.0	McCulloch.
1862	124.5	40.5	165.0	Journal des Economistes.
1863	124.5	40.5	165.0	Ibid.
1864	119.0	40.5	159.5	Ibid.
1865	114.0	42.5	156.5	Ibid.
1866	.....	56.0	.....	Soetbeer.
1867	107.5	45.0	152.5	Journal des Economistes.
1868	107.0	49.0	156.0	Ibid.
1869	113.0	51.5	164.5	Ibid.
1870	120.0	52.0	172.0	Ibid.
1871	130.7	62.3	193.0	Blake for gold, 1867; Phillips for silver, 1865.
1872	121.0	50.5	171.5	Journal des Economistes.
1873	.....	53.08	.....	Blake, by countries, App. Cycl., XV, 53, new edition.
1874	116.0	54.0	170.0	Journal des Economistes.
1875	121.0	50.0	171.0	Ibid.
1876	121.0	47.5	168.5	Ibid.

## Estimated annual production, &amp;c.—Continued.

Period.	Gold.	Silver.	Total.	Authority.
1870	116.0	51.5	167.5	Ibid.
1871	116.5	61.0	177.5	Ibid.
1872	101.5	65.0	166.5	Ibid.
1873	103.5	70.0	173.5	Ibid.
1873	103.5	76.3	179.8	Ibid. for gold, App. Cycl. for silver.
1874	90.5	71.5	162.0	Journal des Economistes.
1875	97.5	62.0	159.5	Ibid.
1875	118.0	72.0	190.0	Estimate.†

\* No mines in India. (McCulloch in Encyc. Brit., Ed. 1858, page 470.) Gold mines in China, but not worked (472) for the reason, according to Sir R. Murchison, that it would conflict with Chinese theory relative to maintaining "balance of the circulating medium." Oreschoff estimated total yield of precious metals in China, India, Japan, &c., in 1854, at \$30,000,000 a year, but this is evidently too high. Whitney estimates the gold product of all Southern Asia at \$300,000 a year. Perhaps, in view of Newmarch's statement, (Tooke, v. 724,) that the specie (coin, trinkets, &c.) in India amounts to \$400,000,000, of which say one-half is in coin, and allowing same for China and Japan, total coin in Southern Asia \$2,000,000,000—the annual product of Southern Asia may be approximately as follows: Silver 29, gold 1, total 30. Allowing 1½ per cent. per annum for wear and loss of coin, it would require at least this amount to keep up the stock, while European and American supplies would be needed for the arts and to make provision for increasing population. Adding these sums to the above estimate for 1874 we have the following grand total annual production for the entire world—sums in millions of dollars:

1874.	Gold.	Silver.	Total.
The world exclusive of Southern Asia.....	90.5	71.5	162.0
Southern Asia.....	1.0	29.0	30.0
	91.5	100.5	192.0

† Estimated by Raymond (Report of 1873) 15 gold and 40 silver; but this estimate, though not very wide of the mark, is without authority. Phillips gives details by countries.

McCulloch states (and in this he agrees with all other authors) that the lowest point of production was reached in 1829. He states that Mexico and South America together only produced of both metals \$20,000,000, chiefly silver, and that very little was elsewhere produced. Allowing \$5,000,000 for what was elsewhere produced, crediting that \$5,000,000 to silver, and allowing one-fourth of the American product to have been in gold, (which exceeds the proportion estimated by Jacob for the same period,) I accord to silver \$20,000,000 and to gold \$5,000,000.

§ Estimated by Raymond at 43 gold and 39 silver; but wide of the mark and without authority. Birkmyre gives details by countries for 31.5 silver.

¶ For about this date DeBow, ii, 558, gives \$131,500,000 gold and silver, as follows:

California.....	\$14,500,000
Brazil.....	7,000,000
Russia.....	3,350,000
Great Britain, (silver).....	50,000
Asia.....	1,400,000

\$131,500,000..... 26,300,000  
Phillips gives details for 43.8 silver. (App. Cyc., xv, 53.)

¶ The French estimate is considered to be at least \$10,000,000 too low for silver. Silver in the United States for 1875 was \$23,000,000 more than in 1868. The French estimate is also believed to be too low for gold.

Taking silver by itself, we find that the annual production of the occidental world has but little more than kept pace with population. It was \$35,000,000 a year at about the beginning of the century; it was \$72,000,000 a year in 1875. The statistics of its annual production are characterized by the same steadiness that distinguishes its place in the circulation. If gentlemen want details, they can have them country by country. There is no guess-work here; we are standing upon solid rock.

Turning to gold, we find that the annual production has varied enormously. It was \$13,000,000 a year in 1801; fell to perhaps not over \$5,000,000 in 1829; rose to \$182,500,000 in 1852; fell to \$107,000,000 in 1863; rose to \$130,000,000 in 1865, and fell to \$97,500,000 in 1875, and with a downward tendency.

And yet this wildly fluctuating, ruinously unsteady metal is what the flegelings of political economy, the charlatans of monetary conventions, and the numerous other dupes of Lombard street would divorce from its natural complement, silver, and have for a sole standard of value. As well have the rack for a measure. It has often served that purpose, only the thing that it measured was not value, but human endurance, and that seems to be about all that gold by itself is capable of measuring. Thirteen million dollars a year in 1801; \$5,000,000 in 1829; \$182,000,000 in 1852; \$97,500,000 in 1875. A wonderful measure of value indeed!

Let us suppose for a moment that silver had been demonetized by the entire commercial world at the same time that England demonetized it, to wit, in 1816, and the commerce, the business, and the vested interests, the daily labor and the time contracts of society left to adjust themselves in the course of twenty-six years (from 1803 to 1829) from a measure of \$1,800,000,000 of gold and silver coin to one of, say, \$700,000,000 or \$800,000,000 of gold coin. Recollect that even as it was, the whole of that period was one of bankruptcies and convulsions. Now, let me ask what it would have been had the evil been aggravated by the adoption of such a gigantic blunder as England set up in 1816 for the imitation of mankind?

We are upon the eve of another era of the same character. The

annual supply of gold has reached its culmination. The supplies of gold are falling off. The river-beds of California and Australia have been washed; the surface gold has been secured; the quartz mines have measurably used up the paying ore; the water-line has been touched, and below it are only those sulphurets which as yet have not been successfully treated. Beware foreign influence! Beware the example of England! Beware England's fatal blunder of 1816! Beware the ruinous effects that followed close upon its heels! The causes of the bankruptcies of 1873, 1874, 1875, and 1876 may lie in deeper waters than the shallow stream which commenced to flow in October, 1873. They may lie in the shrinkage of gold—that gold which the ill-considered act of 1873 made the sole measure of values and the sole arbiter of fortunes in the United States.

For the purpose of testing by comparison the efficiency of gold as a measure of values, let us suppose again that gold was the sole legal-tender money of the commercial world in 1848. Will gentlemen attempt to deny that the stock of this metal in the coins of the commercial world more than doubled between that date and 1867? If this fact be admitted, must it not be perceived that, with gold as the sole standard of value, prices would have more than doubled during the course of these nineteen years, and that with such a great and sudden enhancement of prices the worth of all vested interests, the relations of all contracts, the entire distribution of wealth, would have been seriously affected? The widow and the orphan, left with a comfortable competence in 1848, might have had to eke out a scanty living in 1867; the lessor of 1848 might have been glad to abandon his property rather than pay the taxes and charges of 1867; the rich would have become undeservedly poor, and the poor undeservedly rich—a very equitable arrangement, according to some minds, and I confess I am not wholly unbiassed that way myself; but I do not forget that I am now addressing the official successors of the authors of the act of 1873.

Observe, too, the effect which the enormous folly of demonetizing silver in certain states of Europe and in the United States has had upon the currency of Asia. If these statistics have even approximate worth, and there is no reason to subject them to the slightest suspicion of incorrectness, for they rest upon numerous authorities who derived their data from widely different sources, it will be seen that the currency of Asia has more than doubled since 1848, and probably chiefly since 1862. This currency is estimated to have amounted to \$700,000,000 in 1803, \$900,000,000 in 1848, and \$2,100,000,000 in 1872, chiefly in silver. So far as we know and are led to believe, from the character and institutions of the peoples of these countries, there was little or no increase at all in their numbers up to 1862, if, indeed, there has been any since that date. The increase of their circulating medium has, therefore, been almost absolute, and it must have had the effect of enhancing the present level of prices in those countries three times more than that of 1803.

No wonder that Mr. Secretary Bristow advises Congress that the abolition of our import duty upon tea has failed to cheapen the price of that article. Why we should have contributed, as we did contribute, by the suspension act of 1862 and the demonetization act of 1873, to triple the specie prices of everything we have had and shall have to buy from China, Japan, and the East Indies wholly surpasses the understanding. To men of plain minds it seems to have been the most stupendous folly.

## APOLOGIES FOR SUBSIDIARY COINAGE.

To these grave charges about tripling prices in Asia there has been a weak and ill-considered reply, to the effect that while England and her subservient imitators on the continent of Europe and in this country have demonetized silver as a legal tender for the payment of debts, that metal has nevertheless been allowed to remain in the form of base coin for fractional currency or small change. It seems to have been forgotten that base or token money can only circulate to a small amount. For example, if gold and silver were now equally legal tender in Great Britain, as they were previous to 1717, a large proportion, perhaps one-half, of the whole amount of money now in the kingdom, which is estimated at \$575,000,000, (plus \$5,000,000 of copper,) would be of silver, which at the present moment is the cheaper metal at the relation of 15½. In France, in 1860, where the double standard prevailed, and when gold was the cheaper metal at the legal relation of 15½, a large portion of the entire metallic currency was of gold, (Seyd.) But instead of the currency of England being entirely of silver, at the present time there are in that country \$500,000,000 of gold and only \$75,000,000 of silver (tokens) in circulation, (Jevons.) This result is due to the demonetization of silver, and from this cause some \$200,000,000 of silver, which would otherwise hold place in the money of that country, have either been melted up or exported; reduced either to plate or shipped to Asia. In the one case, lost almost irretrievably to civilization, so far as its agency in measuring values and stimulating industry is concerned; in the other, gone to help add to the strength and commercial resources of a semi-barbarous world.

But far more important than this is the consideration that the substance of which coins are made and the substance of which the standard is composed are altogether different matters. The coins of a country may be made of gold or silver; yet if wheat were made the standard of value, that is to say, if the coins were payable on demand in wheat, the prices of other commodities would fluctuate, not with the vicissitudes of coinage, nor even of the stock and production of the pre-



cious metals, but with those of the stock and production of wheat. Coins of this character would merely be tokens, promises to pay (wheat) stamped on gold or silver; of this character are the silver coins of England, and the silver half-dollars, quarters, and dimes of the United States. They are mere tokens, and, except at times when they rose in value (in the standard) so as to be worth melting or exporting, the metal of which they were composed would practically be demonetized.

#### SUBSIDIARY COINAGE NOT WHAT IS WANTED.

It is not merely urged by the advocates of the double standard that silver should have that subordinate place in the currency which is the utmost that can be filled by a token coinage, and which could be filled to a certain extent as well by any baser metal, or even, perhaps, by paper; it is not merely asked that silver shall be granted the same sort of recognition that is vouchsafed in social life to a menial. It is demanded that it shall be accorded the same rank in which gold has been maintained; the rank to which the great place of silver in the coins of the world, its universal distribution and appreciation, its ample and steady supply, its twin-birth, its utility and adaptability, and its worth as a measure of value, entitle it. With a double standard wisely fixed, all the moderately large payments would be made in gold and all the smaller ones in silver, just as for moderately large quantities of liquids the oaken hogshead is employed and for smaller ones the tin gallon. By forcibly interdicting oak, you might compel hogsheads to be measured by the tin gallon, just as by interdicting tin you might force gallons to be measured by the oaken hogshead. What is demanded for silver is that it shall be left free to assume its own rank in the currency, so that whenever it temporarily becomes the cheaper metal at the average relation to gold, it may for the time possess that same influence in modifying the measure of value that has been always so zealously accorded to it when it became the dearer.

#### THE FLUCTUATIONS IN GOLD DUE CHIEFLY TO PLACER MINING.

It will not do to rejoin to this that the probabilities of gold again becoming the metal in more plentiful supply are remote. Even if true, this reply would confess the very selfishness of the champions of the gold standard which they have been so solicitous to conceal in the solemnity of their monetary conventions and the surreptitious character of their measures of legislation. But it is not true. Although at the present time the annual supplies of gold are falling off, it is impossible to predict how long this movement may last. While silver is essentially the product of industry and enterprise, gold is largely that of adventure and chance. This results from the physical fact that the last-named metal is nearly always found in alluvial deposits or placers, and it is from these sources that the bulk of the world's stock of gold has been obtained; this is never the case with silver.

#### GOLD AT PRESENT CHIEFLY A BRITISH PRODUCT.

These facts bring under our consideration another important matter in connection with the history of the precious metals separately. It is this: that at the present time and for the main part the supplies of gold to the world are chiefly from British countries or countries subject to British domination. The following table will illustrate this very significant statement:

*Estimated annual gold product of the world at latest dates for which the statistics are attainable in the various official reports.*

The United States, 1875.....	\$36,000,000
Australia, &c., 1873.....	\$58,000,000
British Columbia.....	2,000,000
Canada and Nova Scotia.....	500,000
Other British possessions and British Isles.....	1,500,000
Total British possessions.....	62,000,000
Balance of the world.....	30,000,000
Total of the world.....	\$118,000,000
Proportion of the world's production from British possessions, (per cent.).....	52½

From this table it will be observed that of the \$118,000,000 which represent the annual gold product of the world 52½ per cent. was obtained in countries over which the British flag waved or which were subject to British domination.

Is this, then, the secret of British plutocratic solicitude for the single gold standard? Is it not only that the people of Great Britain shall have the rewards of their labor measured by this diminishing measure, which is to be held tightly grasped in the monopolizing and cruel hands of their plutocratic lords, but that the labor of the entire civilized world shall be measured by it also? For one, I reply to this, never! And when this subject shall be fully understood by the American people, the reply that I now make should echo and reverberate throughout the whole length and breadth of this great land. Never ought we, never will we, submit to have our labor and enterprise measured by a standard subject to the manipulation and pleasure of a foreign nation, and of a class hostile to the genius of our institutions.

#### THE DOUBLE STANDARD FOR THE UNITED STATES.

Hitherto the double standard has been alluded to with reference to its great superiority as a measure of value for the exchanges of the world. I now propose to treat it solely or chiefly with reference to the affairs of the United States.

Many of the considerations adverted to in connection with its superiority as a measure of value for all nations apply with equal,

and sometimes more than equal, force to this nation. Briefly recapitulated they are mainly as follows:

The convenience of employing gold for moderately large payments and of silver for smaller ones induces both metals to be employed as money, whether one or the other, or both or neither, are made the standard of value. The violent aberrations in the annual supplies of gold, the steadiness of silver, the often deficient and sometimes excessive supplies of the one, and the always ample supplies of the other, forbid us to rely upon one as a standard of value to the exclusion of the other, and particularly when that one is gold. And this objection to gold as the sole standard of value obtains additional force at a time like the present, when its annual supply is diminishing every year, its distribution throughout the world is narrowing, and its production is at the mercy of the arms and legislation of a single powerful nation, and a class hostile to the growth and prosperity of republican communities.

Another basic consideration is the stock of precious metals in possession of the world, the product of many centuries of toil, abstinence, contention, suffering, and sacrifice. It is this stock which measures prices. Nearly one-half of it consists of silver. To demonetize this half will reduce all prices one-half and convulse every country in the world, except those which may refuse to take part in such demonetization.

Beyond these considerations, however, there are others which apply with peculiar force to the present time and to our own country. These will be treated in their proper order.

#### EFFECTS UPON THE DEBTOR AND CREDITOR CLASSES.

First, with regard to the effect of the standard on the debtor and creditor classes.

At the outset let it be premised, to the great honor and glory of our country, that in the sense in which the term is used in England we have no debtor and creditor classes. Notwithstanding the tendency of the national debt and of the other financial scars which the recent great civil conflict has left upon the war-worn features of the nation, we have no permanent debtors and creditors. The man who is a debtor to-day becomes a creditor to-morrow, and the creditor of to-morrow becomes the debtor of next day after to-morrow. We are all in the same boat in this country; all struggling, toiling, risking, winning, or losing. There are no hereditary privileges, no entailed estates, no permanently vested interests. Misadventure, death, unexpected legislation, in a word, a thousand agencies are continually at work to redistribute wealth and redistribute poverty; while a free soil, boundless natural resources, thoroughly diffused and abundant education, and a universal spirit of enterprise, contribute to increase our stock of wealth; so that while the gifts of fortune are being continually redistributed, those of intelligence and industry, which are always fairly distributed at the outset, are being added to them—an equalizing reservoir with a primarily equalized and always-rising level.

Therefore, the remarks which will now be devoted to the consideration of the respective equities of the debtor and creditor classes will apply with far less cogency to the affairs of this country than to those of any other.

It was not complained by the debtor class, when the act of 1873 was passed, that it would tend to favor the interests of the creditor class, as it undoubtedly did. Why was no complaint made? Because the act was so drawn that it apparently related only to the technical regulation of the mints; and gave no notice, either from its title or its text, that that far graver measure, a change of the standard of value, was proposed. There is no mention of the term "standard of value" in the act; there is not even mention made of the silver legal-tender dollar which the act abolished. None but those fully conversant with the history of our legislation upon the subject of money, none but those who were familiar with the details and principles of the long-forgotten act of 1792 and subsequent legislation, could have understood the full purport of the important changes of legislation which the passage of the act of 1873 involved.

Moreover, specie payments had been suspended for eleven years, nor for more than two years afterward was there any provision made for resumption; and resumption appeared so far off in 1872—that is to say, at the time the demonetization act was introduced into Congress—that the effects of demonetization, coupled with those of resumption, were not realized or anticipated. The silver dollar had not been coined at our mints for many years, and during the fall of gold subsequent to 1848 had gone out of circulation, except for the payment of ground-rents in Philadelphia and elsewhere, and for the purposes of the Asiatic trade. The demonetization of the silver dollar at such a period was, like a stab in the dark, unexpected, unseen, and not to be felt until too late to be averted.

There was, therefore, no notice to the debtor class, who are always the poorer class, and therefore the more numerous and widespread, the least organized, the least protected by the law, the least courted by ambition or favored by power.

In the absence of such complaint from the debtors in 1873, in the absence of any notice which was practically accessible to them of the supernal importance of the change proposed, what right would now the creditor class possess to object to the rehabilitation and restoration of the double standard? Clearly none whatever.

I do not speak now of the creditors of the Government, whose

status in respect of the coin in which their claims are to be paid is not proposed to be discussed; I speak of creditors generally. In view of the concealed effects of the demonetization act of 1873, in view of the fact that resumption was not provided for until 1875, in view of the utter absence of complaint from the debtor class when the demonetization act was passed, what right, or even shadow of right, has any class of creditors now to object to the monetization of the silver dollar? The demonetization act was not passed at their solicitation any more than it was passed with the knowledge or concurrence of the debtors. It was not a contract between the Government and the people. It was a mere caprice of legislation, which could be undone, which in deference to public policy and justice should be undone, and which, under our organic law as I hope presently to show, which raises the double standard far above the province of legislation, must be undone.

But putting all this aside and looking at the question purely as an economical and political one, and without reference either to its merits or its history, both of which so emphatically decide in favor of the double standard, let us see which class it is that, when benefits or advantages are to be dispensed, a wise and particularly a republican Government should favor.

Is it the creditor class, who consist to some extent of capitalists whose estates were hereditary, and of others whose estates were the result of chance, unexpected death, unlooked-for legislation, or extraordinary and unforeseeable events? Is it the creditor class, whose garnered capital represents the results of past labor, perhaps of that of the serf, the slave, the overworked, browbeaten, fagged, and famished victim of toil? Is it the creditor class, who are always allied to an elite conservatism, out of which spring caste and aristocracy and feudal privileges and every other odious form of power, to whom legislative favors shall be granted? Is it the creditor class, who least stand in need of such favors or advantages?

To whom shall legislation dispense what small favors it may have to bestow in a country so free and republican as this? Shall it be to the class whose tendencies I have depicted or to the debtor class, to the poor, the needy, the temporarily depressed, the cast-down, the struggling, the toiling, the enterprising, the active, the aspiring, the ever hopeful?

Shall the favors of legislation be granted to those who ask for them and fawn and intrigue for them, or to those who never ask, nor fawn, nor intrigue?

Shall they be granted to those whom we here in Congress do not respect, or to those whom we do?

Shall they be awarded to the many whose servants we are, or to the few whose servants we are not? For remember that this is a Government based upon numbers and not upon wealth, and that the States and Commonwealths which are represented in this Chamber are also based upon the principle of numbers, of the greatest good to the greatest number.

If there are favors to be accorded, let the people have them. It is upon their prosperity and welfare that this country, nay the entire world, essentially depends for its advancement; not upon the patronage of a class.

#### NO ADVANTAGES TO BE GAINED BY EITHER CLASS.

But I deny that there are any favors or advantages to be granted by a return to the double standard. A single standard confers advantages, advantages to the few, while a double standard divides and distributes advantages. This is fully illustrated by Professor Jevon's diagram. The double standard both gives and takes. It strikes a medium between the metals, although but one of them may chiefly be employed in the currency and that the one of temporarily the lesser purchasing power. There is no practical difference between its effects and those which would flow from the adoption of a single metal which is adhered to as the standard forever, a metal which is always in as sufficient supply and as widely distributed and largely held as now are both the metals combined, provided such a metal could be found. And whatever infinitesimally small difference there is, whatever poor crumb of advantage the restoration of the double standard would afford to the debtor class, it bears no comparison at all with the full ration, the stuffed loaf of advantage, which the continuation of the single gold standard is destined to confer upon the creditor class while the annual supplies of gold are diminishing in quantity. Whatever advantage there was in the double standard, if it was worth the planning of one class to destroy it, it is due to the interests of the other and the welfare of the nation to restore it.

Moreover, and from a higher point of view, it is in the long run really to the interest of the creditor class, as well as of that larger class who are neither creditors nor debtors, for us to restore the double standard. It is to the interest of honor, of virtue, of religion, of goodwill to all men and peace upon earth. It will tend to save the debtor from despair and the resources which despair invites; from dishonest bankruptcy, from flight, from the sequestration of property, from its malicious and revengeful destruction, from popular agitation, agrarian disturbances, and revolution, and from recourse to "interchangeable bonds" or other covert forms of repudiation.

I have said that the practical effects of the double standard would be like that of a single metal which is adhered to forever. I meant by this that a single metal adhered to forever would have its ups as well as downs, as England has had with gold since 1816. It was down with the people of that country until about the year 1832 or

1837, then slowly up until 1848, then rapidly up until 1855, and since that year slowly down. With a double standard England would have had fewer of these vicissitudes; with the restoration of our double standard we shall have fewer of them than otherwise. These vicissitudes are clearly traceable to those disturbances of the double standard which commenced in 1816. They are still unsettled. With their settlement, with the return of nations to that dual employment of gold and silver which was never interrupted until England saw fit to interrupt it, will doubtless return that era of monetary ease and serenity which characterized the last century, during which the Bank-of-England rate scarcely varied one-half of 1 per cent. Bank panics and financial revulsions will disappear, and possibly also the thousand and one mad schemes of irredeemable paper which necessity and despair have driven men to entertain.

But a single standard adhered to forever is something that even were a steady enough and otherwise suitable metal obtainable for the purpose, which is absolutely denied, is not to be looked for. It is true that England adhered to gold all through that period so trying to her plutocratic rulers from 1848 to 1855, but it was not without having often been on the point of abolishing it and resorting to some substance for money the supplies of which did not increase so rapidly. The propositions of Cobden and some of the other writers I have quoted in favor of adopting wheat, &c., as standards of value sufficiently attest the alarm of the ruling classes. But fortunately for the people of England the popular sufferings of the previous period from 1816 to 1830, when gold was yearly diminishing in supply, had gone far enough to produce the reaction which the short-sighted and selfish adoption of the gold standard so richly merited. A stern remembrance of these sufferings was abroad in the land, and forbade any further tampering with the standard. The people said in effect, said it in the chartist and the anti-corn law and the reform contentions, "It was your turn a while since; it is ours now. Stand back, and let's have fair play!" The yeomanry of England had arisen from its pauper grave, and the voice of power trembled and was hushed in its presence.

While these circumstances forbade the desertion of that standard which the plutocracy of 1816 had set up for itself, there is no assurance that they would not again be evoked to prevent a change of the standard from gold to silver should the latter once more become the dearer metal. The plutocracy of England found strong enough arguments to change the standard from the double to the single and from silver to gold. The plutocracies of the continental countries have changed from one metal to the other whenever it suited, or they fancied it suited, their present interest most. Neither, with the increasing advantages and power which the retention of the gold standard would confer upon our rising and promising regiments of plutocrats, would this class fail to make similar attempts in this country, and particularly if the easy success they met with in 1873 is suffered to stand unrebuked. In effect, the standard would be changed whenever there occurred a marked change in the value of the metals.

We should have a double standard, indeed; only, instead of standing upon two supports, it would rest upon one. Instead of having its center of gravity always midway between its supports, it would have one that rocked to and fro, and at every oscillation tore away a portion of those foundations of equity upon which alone republican institutions and republican government may permanently rest.

#### RESORT TO A GOLD STANDARD INEVITABLY INVITES PAPER INFLATIONS.

An extremely important consideration has been adverted to and demands some elaboration. It is this: that any attempt by force of law to substitute gold for silver in the money of a country, at a time when gold is becoming scarcer, either absolutely or relatively as to silver, must surely result in producing paper inflations. Paper notes, either representative or unrepresentative, are sure to be issued as substitutes for gold as it becomes scarce. Any attempt to artificially enhance the purchasing power of gold, either by demonetizing or partly demonetizing silver—and the act of 1873 is of this nature—is certain to invite or prolong the issuance of paper notes. By artificially enhancing the purchasing power of gold the profits arising from the issuance of paper notes are enhanced, and the pressure on the part of banks and individuals to obtain authority to issue them, if indeed the decline of prices and consequent stagnation of industry do not induce the Government itself to issue them, will become too great to be successfully resisted. This authority once obtained, or this power once exercised, it always proceeds to extremes. Neither reason nor prudence sets a limit to the emission of paper notes; the emission usually continues until it ends in general bankruptcy.

This, then, is what the purblind, short-sighted advocates of a single metal, when both metals together are barely more than sufficient to prevent the world's stock of coin from falling behind the increase of population—this is what they would invite. They would press the blade down to the point at which it is bound to spring up; spring up in defective and excessive credit, in speculation, in madness, in bankruptcy, and in crime. They would twist the thumb-screw down until the debtor was reduced to poverty and despair, forgetting that they themselves more than any class of persons were interested in keeping him solvent and prosperous.

The lesson is the same in all artificial or forced systems of currency. Money came into existence freely, and it has never yet yielded up its birthright. Legislation should not, legislation cannot, enslave it. Beyond the scope of temporarily fixing the relation, which should be



the mean natural or market relation, between two metals, both of which are indispensable for the purposes of exchange; beyond manufacturing and unitizing coins and punishing counterfeiters; in short, beyond the exercise of that surveillance which may fitly be termed the police of money, legislation has neither rightful function nor power. All it can do beyond this is to confuse, to deceive, to injure, to disturb, and to invite loss, discontent, turbulence, violence, and anarchy.

Gentlemen may fancy that they are playing upon a very simple instrument when they undertake to meddle with money. But they are mistaken. The apparently simple instrument is an organism of the most complex character, the result of thirty centuries of growth and development, and, like all highly-developed organisms, impatient of control or restraint. It recoils from the first touch of an unaccustomed hand; it gives forth alarming sounds; and if further meddled with, it revenges itself upon its disturber with overwhelming ruin.

#### DANGER OF ABANDONING THE DOUBLE STANDARD.

It is impossible to resume specie payments in gold alone. Let us try to grasp the full significance of this proposition, if even it be only in one respect—that of the capacity of the mines of the world to supply it with gold enough to measure its exchanges without the co-ordinate employment of silver. Given bills of exchange, given certificates of deposit, given bank bills, given Government legal-tender notes, given railways, telegraphs; in short, any form of representative or non-representative money or of agencies for increasing the rapidity of its circulation; given all these, and the world now employs them all whenever and wheresoever they can be employed with safety or advantage, and often when neither one nor the other is secured—given all these, and yet a certain quantity of the precious metals is needed at bottom, as the foundation upon which the entire basis of credit, safe and unsafe, must rest. Now, how much does this indispensable quantity of the precious metals amount to at the present time?

There is no difficulty in answering this question. The world's stock of coin is \$5,700,000,000, of which nearly one-half is of silver. Of this sum, Europe, America, and the rest of the occidental world employ about \$3,600,000,000. Previous to the late partial demonetizations of silver in the Latin Union, and in Germany and the United States, these \$3,600,000,000 consisted of, let us say, \$2,000,000,000 of gold and \$1,600,000,000 of silver. They now consist of, say, about \$2,400,000,000 gold and \$1,200,000,000 silver. By continuing to exclude silver from equal participation with gold in the currency of the United States, and attempting to resume specie payments, we occasion a demand for, say, \$350,000,000 of gold wherewith to pay off the greenbacks and furnish bank reserves, and \$50,000,000 of silver in lieu of the fractional notes. If we could obtain these \$400,000,000 of metal without drawing it from other countries in Europe or America, they would add so much to the stock of coin in the occidental world, which would then be \$2,750,000,000 of gold and \$1,250,000,000 of silver. This is the answer to the question so far as the occidental world is concerned. The quantity of the precious metals needed for money and the basis of credit in the occidental world—that is to say, the quantity needed to maintain prices at their present level—is at least \$4,000,000,000. Of this sum the United States, if it succeeds in resuming specie payments, will hold about \$400,000,000.

Now, let me ask, in the first place, where these \$400,000,000 are expected to come from? Gentlemen may dispute the premise and contend that no such sum as \$400,000,000 is necessary. They may point to the fact that just previous to the time of the suspension in 1862 the entire stock of coin in this country was estimated at not over \$300,000,000, (Finance Report, 1861, pp. 25 and 62,) of which probably not over three-fourths or \$225,000,000 were in gold. Granted that this was the fact, and I have no doubt it was, it must not be forgotten that since 1862 the population of this country has increased 50 per cent., and its exchanges fully 100 per cent. What is the proof of this? Simply that in 1861 our whole circulating media consisted of \$300,000,000 in coin and \$200,000,000 of bank-notes, which circulated within limited areas at or nearly par; whereas now it consists of not more than \$140,000,000 of coin and some \$750,000,000 of Government and bank paper, the latter circulating (throughout nearly the whole country) at about 87½ cents to the dollar; say total circulation at par equal to \$800,000,000. This is 70 per cent. more than the par circulation of 1861; an incontestable proof that exchanges have increased in volume at least 70 per cent. Taking into consideration the superior activity of the legal tender and national-bank notes over the old State-bank notes, and the improvement and development of railways, telegraphs, clearing houses, and other mechanisms of exchange, since 1861, it cannot be doubted that the bulk of to-day's exchanges in this country is at least double that of a corresponding day in 1862. Suppose, however, we put it at only 70 per cent. higher; then, in order to resume specie payment upon at least as firm a footing as specie payments stood in 1861—and the universal suspension of the banks toward the end of that year proves that it was not so firm a footing as could have been wished—we shall require at least 70 per cent. more specie than we employed in 1861. Add 70 per cent. to \$300,000,000, and you have \$510,000,000. Allow \$140,000,000 for specie already in the country, in the banks, in private hands, and in the vaults of the Treasury, and you will need \$370,000,000 in order to resume. Of this \$370,000,000 the Government will need, perhaps, about \$350,000,000, and the banks the remainder. But

the apportionment is of no consequence in this connection. The substantial fact is that in order to resume specie payments we shall need \$370,000,000—say, for round figures, \$400,000,000—of specie, of which, under the operation of the act of 1873, about \$350,000,000 must be in gold.

I now ask where are these \$350,000,000 expected to come from? Again, do I fancy I hear interpellation. I shall perhaps be told that a proposition is even now before Congress, a proposition from careful and able sources, and boasting the indorsement of high financial authority, a proposition which assumes that \$100,000,000 in gold will be sufficient wherewith to enable the country to return to specie payments.

I refer to a speech which has been made in the Senate. But I warn gentlemen to beware of making a mistake in respect of this matter, for a mistake will set us back many years. The British government tried to resume in 1817, after a suspension of twenty years, but it failed, and resumption was deferred for seven other years, until 1824. If we try to resume in 1879 with \$100,000,000 and fail, we may be set back a quarter of a century. Moreover, if we fail, somebody—most probably some clique of stock-gamblers—will make 15 or 20 per cent. out of the operation. How? Easy enough! Knowing that \$100,000,000 was the limit of the Government's ability to pay, they could easily make arrangements with the banks and depositories throughout the country to withdraw \$100,000,000 of greenbacks on the eve of the day of resumption, and present them for payment at the Treasury. After having drawn the last dollar of specie out of the latter they could, by presenting an additional note, compel it to suspend again. Then gold would go up once more, perhaps to the full extent of the figure from which it would have fallen, and the clique could sell their specie in the market and realize their profit.

This is not only a possible occurrence; it is a probable one—a highly probable one, almost a certainty. There is nothing in the world to prevent it, except two things: First the inability of a clique to raise \$100,000,000; second, the possibility that the Treasury, in offering to redeem its issues, may arbitrarily and unexpectedly prefer notes of particular numbers or dates of issue. But these objections are frivolous. Experience has demonstrated that there is no difficulty whatever on the part of stock-jobbing cliques to raise \$100,000,000, while, with regard to making preferred credits of certain notes, the Treasury has no authority to do so, and if it had, the exercise of such authority would be almost certain to be defeated through treachery. Secrets so weighty as this one would be, are impossible to keep. Even if it did not leak out, the clique would be certain to monopolize the Treasury doors to the exclusion of all comers. In short, wealth, power, organization, experience, and special training would be ranged on the one side, against a scattered and indifferent population on the other; and who can doubt which would win?

Finally, even if carried out successfully, the exercise of such authority would be unlawful and unjust.

We cannot resume with \$100,000,000, nor with \$200,000,000. Why, gentlemen, we have had \$140,000,000 in specie in the Treasury on several occasions during the past ten years. If it is practicable to resume now with \$100,000,000, why was it not practicable on those occasions with \$140,000,000? It was certainly not for lack of desire on the part of the Secretary of the Treasury, but simply because both the Secretary and Congress plainly saw that the thing could not be done.

It is better to be on the safe side of an operation of this magnitude and importance. It is better to have a dollar more than is necessary for the purpose of resuming, than a dollar less than is necessary. We cannot expect to resume upon false pretenses. We cannot, and if we can, we ought not, hoodwink the people, or run the risk of failing, and, therefore, of unsettling values for an indefinite period in the future. In order to resume we must pay dollar for "dollar," and dollar for dollar, as the law now stands, means at least \$350,000,000 in gold.

And now for the third time I ask, where are these \$350,000,000 to come from? Gentlemen may differ with me as to the sum needed for resumption. Some may believe \$200,000,000 are enough, others may even consider \$100,000,000. I have briefly discussed these opinions, and do not believe that less than \$350,000,000 will suffice. With only \$129,500,000 of Bank of England and \$144,000,000 of provincial bank-notes afloat in 1815, total \$273,500,000 in paper, England required over \$270,000,000 in coin before she was enabled to resume. After you shall have resumed, less coin may be required in the country; but in order to resume, you will require a dollar in coin for every dollar of Government paper afloat, and, in my opinion, and, as shown by the experience of England, you will also have to give the national banks time to acquire an equal fund of specie before they can resume; otherwise, you may bankrupt every one of them.

Confining myself to the strict requirement of the Government, I again ask where is the requisite specie to come from if we are to depend upon gold alone?

The annual gold product of the world is given at \$97,500,000, of which let us say the whole amount can be retained in the Occident, which all will admit is a violent stretch of probability. It is estimated that considerably more than one-half of this supply is needed for the arts; for gilding, plating, watch-case making, jewelry, and the like. (Seyd.) Let us limit this demand to one-half. This would leave a supply of say \$49,000,000 of gold per annum available for the

maintenance and increase of money. The maintenance of money costs about 1½ per cent. per annum in abrasion and loss. One and a half per cent. on the present occidental stock of \$2,600,000,000 gold amounts to \$39,000,000. This is the quantity of gold needed every year to maintain the existing stock of gold coin in the Occident. Deduct this from \$49,000,000, the total annual supply available for money, and there would remain a surplus of \$10,000,000 a year. It is out of this surplus that our \$350,000,000 must come, unless it comes out of the existing stock in other countries, a point which will be considered further on.

Upon the most favorable hypotheses, after according every debatable point in favor of the feasibility of the proposition, we should have to wait nearly thirty-five years to accomplish it in practice; for if we managed to obtain every ounce of gold which can be spared from the supplies of the world for the next thirty-five years, we shall barely have secured enough.

There are considerations, however, which render some of these hypotheses untenable.

The entire population of the occidental world is increasing at the rate of 1 per cent. per annum. (Essay on Population of the Earth in New York Independent.) Even if its exchanges or their bases increased no faster than its population, this fact would require an annual addition of 1 per cent. to the stock of coin. At the present time this would absorb nearly \$3,000,000 per annum.

The demand for gold in the arts will undoubtedly increase at, at least, an equal rate. The probability is that it will increase, because it has increased at a greater ratio. Limiting it to this ratio, it will amount to nearly another \$3,000,000 per annum.

The annual product of gold throughout the world is diminishing. It was \$182,000,000 in 1852; it is given at only \$97,500,000 in 1875. This is a decrement of over \$3,500,000 per annum.

On account of these considerations we must subtract about \$9,500,000 per annum from the world's available annual surplus of \$10,000,000, leaving but \$500,000 per annum to spare. At the rate of \$500,000 per annum we shall need seven hundred years in which to garner up \$350,000,000, the amount necessary wherewith to resume payment in gold.

The possibility of performing even this feat rests upon the assumption that Austria, which has a forced paper currency; and Italy, which has a forced paper currency; and Russia, which has a forced paper currency; and several other countries which have forced paper currencies—countries which in the aggregate contain one-half of the entire European population of the globe—will be content to wait until the United States gets its quantum of gold wherewith to resume, before they will make any move to effect a similar reform in their own currencies. It rests, also, upon the assumption that the people of the United States will wait during these years for the consummation of resumption; wait without complaint, without further legislation, without getting tired, or yielding to the clamors of interest, or prejudice, or ignorance.

#### RESUMPTION ON A GOLD BASIS IMPOSSIBLE.

I tell you, gentlemen, the thing cannot be done! Resumption in gold is out of the question. It is not practical financially; it is not practical metallurgically; it is not practical internationally; it is not practical politically; in short, it is not practical at all.

I can no longer wonder that the interchangeable theory or any other form of paper lunacy has obtained a footing in the land. So long as intelligent and educated men will persist in attempting to do that which the most unintelligent and uneducated plainly perceive to be impossible, so long will demagogery and roguery have a footing. "My plan," they will say, "is at least as good as theirs," meaning that of the gold resumptionists. And I must confess that I assent to their proposition. One plan is quite as good as the other, and not a whit better. They are both utterly impracticable, and no attempt to carry out either one of them can have any other than one ending: failure, violent fluctuations, and unsettlement of values, distress, commotion, and the grave dangers that lurk beneath all violent upheavals of the body-politic.

There are two forms of reply that I anticipate to the assertion that it is impossible in less than a great number of years to obtain the requisite supply of metal wherewith to resume specie payments in gold. One is if money is merely a measure of values, why will not \$100,000,000 or even \$50,000,000 measure values as well as \$350,000,000 or any other sum? The puerility involved in this reply needs little further response than what has already been accorded to it in a previous portion of this speech. If there was no accumulated stock of coin in the world upon which values throughout the world already rested; if there were existing no contracts, rents, leases, bonds, mortgages, and the like, executed in the past and maturing now, or executed now and to mature in the future; in a word, if the world was born to-day, \$50,000,000 would in theory answer quite as well for the entire money of this country, ay, even of the whole world, as any other sum. But the world was not born to-day, nor yesterday, nor the day before. The stock of coin which forms the substratum of the world's prices is the accumulation of fifty centuries, and bargains are being made every day—for example, Government and corporate debts—which cover long periods of time. To disturb these prices and contracts by forcing the exchanges of the country to be measured by a sum of specie so vastly less than its usual measure, as

\$100,000,000 or even \$200,000,000 would be, would be tantamount to the violent destruction of vast interests and a wrenching of all the relations of industrial and social life. Imagine workmen's wages at twelve and a half cents a day in this country, while they stood at \$2 in France or England. Imagine our railway corporations forced to pay their rents on long leases and the interest on long bonds in daily appreciating gold. Would not this be quite as unjust as, on the other hand, by issuing a daily depreciating interchangeable token to gratuitously save them from that disaster?

The other reply that I anticipate to the objection that we cannot obtain gold enough wherewith to resume is this: "We can obtain the gold from Europe." Can we? Let us examine this point.

#### CAN WE GET GOLD ENOUGH FROM EUROPE WHEREWITH TO RESUME SPECIE PAYMENTS?

When a merchant proposes to buy a large quantity of a given article, his first thought is to compute how much his demand will raise the price of the article during the progress of the purchase. The first element in this calculation is the stock on hand, the next is the current supply and demand. It is the same with the stock-operator, in short, with dealers in all commodities. Why should it not be the same with Government, when it goes into the market for \$350,000,000 of gold?

The current demand and supply of this article has been discussed. There is no stock of it on hand in the same sense that there is a stock or accumulation of merchandise. The stock of merchandise is the unused portion—the surplus. There is no unused stock of gold coin in the world, no surplus. It is all in use to support prices;\* withdraw it, and the whole fabric of prices and credits falls to the dust. The stock of gold in Europe and the countries settled by Europeans amounts to about \$2,600,000,000. On every one of these dollars stands a vast and almost toppling superstructure of credits in every conceivable form. You now propose to purchase one-eighth, almost one-seventh, of this entire basis of the rest of the occidental world's exchanges and credits. Do you believe you can do it? Do you believe you can offer your bonds or your merchandise in the markets of Europe low enough to purchase with them \$350,000,000 of gold? Do you suppose that United States 5 per cent. bonds at par, or 90, or 80, or even 70, will accomplish it? Or, to put it another way, suppose you determine not to sell your bonds under par; do you suppose that you can place them at any rate of interest to which the self-respect of this country would submit, or which its resources would justify? Do you suppose that when you commenced to draw gold from Europe, the Bank of England and other like institutions would not raise their rate of interest to 7, 8, 10, or even 12 per cent.? You know that this is always done when specie is observed to be flowing out. You know that it must be done. And do you suppose that when it is done you can place your bonds at any lower rate of interest than the bank rate? Do you imagine that American produce or manufactures offered to Europe at three-fourths of their present market prices will do it?

Well, then, I do not. To induce Europe and the European world to part with one-seventh of its measure of exchanges and basis of credit within the time fixed for the resumption of specie payment in this country you would have to sell all your movables—for remember that lands, which constitute more than one-half of our wealth, cannot be exported—at prices which would bankrupt every industry in this country. You might get \$10,000,000 or \$20,000,000, or perhaps even \$50,000,000 in gold. By dint of hammering the bond market (and you would have to authorize the Treasury to sell below par, at any price the bonds would fetch) during the two years and a half now remaining you might even get \$100,000,000 of metal; but when you shall have taken \$100,000,000 away from Europe you will have produced a commotion and a fall in prices on the other side that, if it did not lead to the closure of the European stock markets to American bonds, would certainly precipitate a tremendous financial convulsion.† As for this side, the effects would be no less alarming.

Recollect, gentlemen, that the problem is that of taking \$350,000,000 in gold out of a fully occupied and heavily over-topped basis of only \$2,600,000,000 in the occidental world. It is not the whole stock of metal, both silver and gold, that we can now call upon, as in former days. Silver has been demonetized in several countries of Europe; it has been demonetized here. We have thoughtlessly so worded our laws that, until we alter them, we can only pay in gold. The Latin Union, Germany, and Scandinavia, together with England and Portugal, &c., have so worded their laws, whether thoughtlessly or not you can decide for yourselves, that gold alone is the legal tender in

\* The legal-tender portion at a full ratio of activity; the subsidiary coins at a lesser rate.

† When the negotiations were going on in London for the sale of the largest amount of United States bonds that has ever been sold there at one time, it was foreseen by the Bank of England that a quantity of coin would accumulate as the proceeds of these bonds to the credit of the Government of the United States. As a matter of fact there was an accumulation of about \$21,000,000. The Bank of England, foreseeing that there would be an accumulation of coin to the credit of the United States, which might be taken away bodily in specie, gave notice to the officers of the Treasury Department of the United States that the power of that institution would be arrayed against the whole proceeding unless we gave a pledge that the coin should not be removed, and that we would re-invest it in the bonds of the United States as they were offered in the markets of London. We were compelled to comply. (Speech of Senator BOSTWELL, formerly Secretary of the Treasury. Congressional Record, Forty-third Congress, first session, volume 2, part 6, page 23 of Appendix.)



those countries for the payment of large sums, and its value is the standard of all payments, large or small. We would demand of them one-seventh of their entire stock, which now, unlike the period from 1848 to 1865, is not increasing; which, in fact, has a strong tendency to decrease. Who, under these circumstances, will have the hardihood to assert that this problem is a practical one? And who will venture to deny that, if it is solved at all, it can only be solved at a sacrifice more overwhelming than any which has presented itself to the consideration of financiers since the study of money, its functions and its vicissitudes, first became a science?

#### OUR INTEREST CHARGE ANOTHER OBSTACLE TO RESUMPTION IN GOLD.

On top of the many insuperable difficulties which lie in the way of resumption in gold lies another one which is as great as any of them, and which you would augment by attempting to resume in gold. I allude to the interest on the public debt, which debt is very largely held abroad. This interest now amounts to nearly \$100,000,000 per annum. By selling bonds to the extent of \$350,000,000, say, at 10 per cent.—for it is perhaps hopeless to expect to do it at a lesser sacrifice—you will add \$35,000,000 a year to your gold interest debt, and those \$35,000,000 to the portion held abroad. Where are these \$35,000,000 to come from? Where are the whole \$135,000,000 to come from? Your annual interest charge will alone amount to more than the whole world's product of gold. So far as the portion of it which is paid to bondholders in this country is concerned, it may stay here and be thrown upon the market and purchased by the Government, and so used over and over again, as is the case now. But not so with the portion that goes abroad. You cannot hope to get any of that back without selling the merchandise of the country at lower rates than Europeans will be willing to take for similar merchandise of their own production; and after you shall have drained Europe of one-fifth of its specie, (one-seventh of the whole occidental world's, or one-fifth of Europe's,) prices will fall to a very low point there, and you would have to sell very low to compete. Are your farmers ready to deliver their wheat in Europe at the rate of forty or fifty cents a bushel? Are your manufacturers prepared to sell their cotton prints at two cents a yard?

I warn you, gentlemen, that the attempt will be futile; that the thought is absurd; that the whole theory of endeavoring to destroy one-half of the world's accumulation of the precious metals or of taking part in the attempt, as you would do by attempting to resume in gold alone, is sheer madness.

#### COMPARATIVE EASE OF RESUMING IN THE DOUBLE STANDARD.

Now let us contrast with this impracticable scheme the ease of resuming specie payments in both the metals, or on the basis of that double standard which the world has used for thirty centuries, and after an endless variety of experiments, without being able to dispense with it or even venturing to trifle with it until Change Alley found that money was to be gained by inducing these experiments to be made in England and on the Continent.

If we resolve to resume in gold and silver, instead of having to draw upon a fund of \$2,600,000,000 and an annual supply of \$97,500,000, as in the case of gold alone, we would have a fund of \$5,700,000,000 and an annual supply of \$170,000,000 to draw upon. Not only is the fund more than twice as great, and the supply nearly twice as great, but both the fund and the supply are more widely distributed. Instead of having to draw upon the Occident alone, we would have the whole world to draw upon. Three hundred and fifty millions in gold form one-seventh of the entire stock of that metal; the same sum in both the metals forms less than one-sixteenth of the entire stock. If a draught of one-seventh would occasion a fall in prices of 15 per cent., a draught of less than one-sixteenth would occasion a decline of less than 6 per cent.; and while 15 per cent., during two and a half years—equal to 6 per cent. per annum—would sweep away all and more than all the profits of industry, which, on the whole, do not net over 3 or 4 per cent. per annum; 6 per cent. in two and a half years, equal to 2½ per cent. per annum, would enable us to get back to a sound measure of values without the loss of more than a very small portion of our current industrial profits.

It has been objected to the monetization of silver by the United States that the Comstock lode was vomiting forth a vast surplus of that metal. It is only to be regretted that this is not the fact; for if gentlemen will consult the statistics of the precious metals, they will perceive that since 1852, when the product of gold and silver was \$223,000,000, the annual supply has fallen off so that in 1875 it was but \$170,000,000, and in 1876 will probably not be more. There is therefore great danger of a dearth of metal, and it would be fortunate if the yield of the Comstock lode were more prolific than it is.

My fear is that this polifecity, such as it is, will have reached its maximum within the present year. It is the candid opinion of a man who has devoted nearly thirty years of his life to the practical working and management of gold and silver mines that, so far as the Comstock lode is concerned, and he is entirely familiar with this great silver deposit, we have arrived at the beginning of the end. We now know the probable dimensions and bearings of the ore-producing chimneys, and can very plainly foresee their early exhaustion. Whatever the fact may be with regard to the Comstock lode, and at best it is but matter of opinion, we know that for the present, and so far as we can see ahead, the combined annual product of the two metals throughout the world, as compared with late years, is decreasing.

If now the question be asked, Where will you get your \$350,000,000 from upon which to resume? the best answer we can make is: From the world at large; from a stock of \$5,700,000,000 in gold and silver coin; from an annual supply of \$170,000,000; from Europe, from Mexico and South America, from Asia, and, readiest and best of all, from our own mines.

In buying metal from the rest of the world, as we should have to do had we no great mines of our own, we should have to buy it with the accumulated charges of transport and coinage upon it. In buying it from our own mines we can buy it at its worth upon the spot of production, without transportation, or coinage, or interest, charges upon it.

#### RESTORATION OF THE DOUBLE STANDARD AND OUR MINING INTERESTS.

And here let me say that the mining interests of this country are represented not, as some persons absurdly suppose, by a few millionaires, but for the most part by a vast number of persons, with no other resources than their intelligent minds and willing hands, who work in the mines for daily bread, and by a scarcely less numerous class of small proprietors, themselves also workmen, who hold each a few shares in the mines in which they are employed.

The miners of the West are among the most stalwart and spirited yeomen in the world. They are inured to danger and toil, and are brave, strong, intelligent, and self-reliant. In weary processions across alkaline deserts, under equatorial and blistering suns, across mountain and valley, desert and plain, amid the attacks of savages and the fevers of tropical swamps, they marked the path and blazed the trail of western empire. They overcame every hostile condition and builded, on foundations of liberty and justice, three great States in your western border. They conquered the Genius of Sterility in its stronghold, built cities 10,000 feet above the level of the sea and hewed out thrifty workshops twenty-five hundred feet below the surface of the earth. They have organized mining with the exactness and thoroughness of science, and in this respect placed this country in the vanguard of the nations. They have neither avoided your tax-gatherers, sought your subsidies, nor demanded your protective legislation. Nor do they do so now. They only ask that you shall legislate in respect of this great question in view of the history of the world, the Constitution of the country, and the facts that surround you.

While the miners of this country have the highest right both by reason of their birth, their indomitable love of freedom, and the perilous nature of their industry to demand both favor and advantage from the Government, they do not ask for either. But they demand that the Constitution shall be respected and the laws enforced under which they established the great industry which they represent. They know full well that the world's accumulated stock of silver is too vast and the annual diminution from abrasion and loss too great, to fear any permanent or continued fall in the price of that metal. They know that silver must continue to remain the money of a main part of the world for centuries to come, and that it cannot be dispensed with in any part of the world. They understand too well the fluctuating character of the supplies of gold to fear that this metal will permanently usurp the place of silver in the money of the world or in the money of any considerable part of the world. They perfectly well comprehend the fact that the present slight fall of silver is due to the mad attempt to demonetize it wholly or partly in the countries of the Latin Union and Germany, and are not at all alarmed, either as to the success of this attempt or the future price of silver. They believe as Jefferson said in discussing this very same subject nearly a century ago, that the world's long and constantly-tried experience of silver is a kind of precedent which it is tolerably safe to trust to.

Our miners understand that silver is of constant, steady, and moderate supply; keeping pace with the world's expanding industry and no more. They understand that gold is of inconstant, fluctuating, and either superabundant or inadequate supply; and they have no fears as to the marketability of their silver product.

The question before us is therefore not one of favor or advantage to any industry, even though that industry be largely American and of a nature and importance that should command for it every advantage which legislation could confer.

#### RESTORATION OF THE DOUBLE STANDARD A NATIONAL AFFAIR.

The question is one of advantage to the nation, to society, to the world at large. It has to deal not only with the industrial interests of to-day, but of all time. It is the question of the measure which shall be applied not only to the labor of the present time, but to the labor of all time past, the labor of all time to come. It proposes to gauge this labor by the measure which has gauged it forever, by the gauge that can measure it most fairly and equitably; by the only gauge that can truly measure it at all; to wit, the double standard of gold and silver. It is opposed to the impracticable project of measuring it by a new and smaller measure; by an inconstant, a fluctuating, a monopolized measure. This is the nature and magnitude of the question before us; a question to the elucidation of which the most intellectual men of all nations and in all times have largely devoted their attention; a question which lies down at the very basis of property, of industry, and of progress; a question which not only affects the wealth of nations, the rank of nations, the welfare of nations, but the very conditions of social existence itself.

It is too large, it is too grand a question to be belittled by any such

vulgar and familiar approaches as have, I regret to say, been made toward it by one or two gentlemen who have alluded to the subject in the House of Representatives. Fifty centuries of the world's accumulated wealth are before us to be answered in our deliberations upon this question; fifty centuries of mute, but colossal interrogatories; fifty centuries of trial, of suffering, of toil, of conflict, of ever-perishing and ever-renewing human life, every element of which has contributed, one way or another, to mold the ponderous scale of the precious metals in which the work of the world is measured, and which some madmen would raise their vandal hands to destroy.

These men are chiefly the plutocrats of England and Germany. They want the debts which the nations of the earth owe to them, and which were made in Manchester cottons and Birmingham wares, to be paid not in the base currencies in which they were nominally or really engendered—not even in good money, in gold and silver, which is the money of the world, and has been so for all time—but in that particular metal which they have observed is for the time diminishing in supply and daily becoming more difficult and expensive to purchase. To accomplish this object they are ready to revolutionize the currency of the world; to help demonetize and advise others to help demonetize a stock of over \$2,000,000,000 of silver, the precious moiety of the world's standard of values, stored up from the ages, and in its place to set up their own moon-calf of gold, recking not how much suffering the inadequate substitution will occasion.

LET ENGLAND AND GERMANY ADHERE TO THE GOLD STANDARD IF THEY WILL.

The worst punishment which can befall this reckless trifling with the interests of society is that which it itself invites, and which must befall it if the rest of the world refuses to take part in such trifling. By leaving England and Germany to the enjoyment of their self-erected standard of gold, it would result in the end that gold would become cheaper in those countries than elsewhere and prices would rise therein. The co-ordinate use of silver with gold in the rest of the world would tend to drive gold into England and Germany, where it would accumulate and become cheap. Gold would inevitably flow into the countries where it was most in demand, viz, England and Germany, just as now silver flows into Asia. And as silver has accumulated in Asia and enhanced the prices of commodities and services in that portion of the world, so would gold accumulate in England and Germany and enhance the prices of commodities and services there. When this happened, and the plutocrat perceived that his fund or his income of gold would purchase less of other men's labor than before, his punishment will have arrived, and richly will he have deserved it.

What will then be his resource, his only resource from the loss of purchasing power? The same resource to which his narrow selfishness has always instinctively led him: that of endeavoring to change the standard to the dearer metal, which will then be silver. He will then have to purchase his silver from us, as he now asks that we shall purchase his gold from him, and we shall be able to fix as high a price upon silver as he would now fix upon gold.

TO ADHERE TO THE GOLD STANDARD IN THE UNITED STATES IS TO GRATUITOUSLY ENHANCE THE MORTGAGES UPON THE NATION.

The true meaning of the sinister advice which we receive from this class is that by adopting the gold standard we should gratuitously and needlessly enhance the value of the mortgages which, in the shape of Government bonds, they hold upon the industries of this country. We are not ashamed of these mortgages. Though they were given for inadequate consideration, yet they were given in a time of peril and uncertainty. We have not the slightest intention to repudiate them. We have already paid upon them in interest vastly more than their entire face, and shall continue to pay this interest promptly and as fast as it comes due. But, while it is neither to our taste (for we are a proud nation and disdain to submit our honor to the scant measure of a doubtful law) nor to our interest to repudiate our obligations, we do not propose to go beyond the limit which our organic laws have set to the standard in which debts shall be paid. We do not propose by resuming specie payments in gold to increase the demand for and purchasing power of gold, and thus enhance the value of the mortgages upon our industry. The law of this country made our standard the bi-metallic one of gold and silver. This is not only the law of the United States; it is the law of nations; the law of ages; the law of the world. We refuse to be led up and down hill, first into one standard and then into the other, at the beck of a short-sighted and selfish class of men, to whom the world owes no debt of gratitude. We refuse to pull up and destroy our ancient moorings. We refuse to part with the ages and with the rest of the world, to which both our present and our future interests unite us; to the rest of Europe, to South America, to Africa, and to Asia. We propose to stand where we have always stood, where the nations stand, where stands the world; we propose to stand on the double standard, the standard of the populations, the standard which the natural fitness and general distribution of the precious metals has indicated to be the only safe one.

GOLD AND SILVER MINING UNPROFITABLE, AND TO INTERRUPT IS TO DESTROY IT.

There is great danger, I might even without exaggeration say, appalling danger, in abandoning the double standard. This arises from the fact that the mining of the precious metals is, on the average, always conducted upon the verge of loss. Therefore the moment you demonetize one metal you temporarily cheapen it, and help to throw it out of

production. To stop production is the work of an instant, to re-instate it again is the work of years; and when, as is bound to be the case, the discarded metal is once more in demand, it is the work of long time to obtain sufficient supplies of it again. We know that in the case of the Siberian gold mines over three thousand years elapsed between the time of their abandonment (by the Persians) and re-occupation, (by the Russians;) in the case of the Spanish silver mines fifteen hundred years; in the case of the Mexican silver mines, during the first half of this century, some twenty or thirty years. It matters not what the cause of these several abandonments was; whether it was wars, or the insufficiency of known mechanical resources, or trifling with the standard. It is sufficient if we know that no matter what cause put an end to the production of the metals, the most urgent after demand for the abandoned metal was inadequate for a long period to stimulate its reproduction.

When mines are abandoned water flows into them and fills them up; earth, stones, and other debris clog and choke them, and frequently bury them up out of sight and even remembrance; the supporting timbers of galleries rot away, the galleries themselves fall in; and these circumstances often render it practically impossible to re-open the mines. And you cannot find silver and gold mines at pleasure, as you can wheat fields or suitable sites for mills or manufactories. The whole surface of Central America and California and the Sierra Nevadas has been ripped and torn up in the search for the precious metals. The valleys have been explored, the streams turned from their natural courses, the hills washed away with artificial hydraulic power, the mountains honey-combed with shafts and tunnels. Not a district has been left undisturbed. The Pacific coast of America has been ransacked in modern days even more thoroughly than were Northern Africa and the Spanish Peninsula in ancient days; for this ransacking has been done by the hardiest among the foremost races of the world.

But in the exploration of natural resources man has no pity for nature or posterity. He exploits the land in the pursuit of agriculture as our Virginian forefathers did the noble valleys of the Atlantic coast in the cultivation of tobacco; as the planters of the cotton States did the table lands of Georgia and Alabama and the bottom lands of Mississippi in the cultivation of cotton; as the western men are now doing the richly-wooded lands of their country, for the sake of the timber which stands upon them. In a similar way have the Pacific States been exploited for mines.

There are probably but few of even measurably rich deposits left to discover. The most that we can henceforth do is to exhaust what have been found. There are no more great bonanzas in the Sierra Nevadas; probably there are not elsewhere in the world deposits of ore of such magnitude. I do not mean deposits found; I mean found or unfound.\*

Already many of the less profitable silver mines of the world have ceased to be worked. The slight and temporary fall in silver, occasioned by the partial demonetization of the metal in Europe, its prospective practical demonetization in this country, and the hitherto abundant yield of the bonanza mines, have been sufficient to throw many of the poorer paying silver mines of the world out of production.†

By resuming specie payments in this country upon the basis of the fatally erroneous law of 1873 we would render practical and immediate that demonetization of silver which, as yet, while paper notes form nearly the entire circulating media of the country, is but prospective, and therefore not practical. More than this: the example of so great a country as the United States would be apt to lead other countries into the same erroneous way, and silver would soon become entirely demonetized in the occidental world.

Did gold promise to continue in very abundant supply the ruinous consequences of this error might to some extent be mitigated; though under no circumstances could they be entirely mitigated, owing to the always fluctuating nature of gold supplies. But even this degree of mitigation is not to be expected. Gold is so far from being produced throughout the world in great abundance, that the present annual product is dangerously insufficient, and even this supply is declining. We are invited to abandon a good ship and enter a sinking one; to desert solid ground and stand upon a quagmire; to renounce a system which has stood the test of centuries, and adopt one which has been tried but by a single nation, England, and that only since

\* It must always be borne in mind that the order of progress in mining is from the poor to the richer mines, just as the venerable and celebrated Henry C. Carey has shown it to be in agriculture. This order of progress in mining results from the fact that men always seek first the most easily accessible sources of production. When the outcroppings of a great mine are discovered it is rare that exploration proceeds farther than a few hundred feet beneath the surface where the ore lies in widespread lenticular masses. Then comes the "barren zone," which is seldom explored at first. The richer but fewer deposits of ore below—the great bonanzas—concentrate in perpendicular veins far apart, and are never reached except at great outlay and expense and as the result of organized and scientific mining. Whoever is fortunate enough to strike one of these bonanzas makes great profit from it, while others sustain loss, and on the whole the product of metal is diminished.

† This fact is not only deducible from the statistics of the world's annual yield of silver given above, but it has come under my own observation that many of the low-grade ore deposits, even of the Comstock lode, have either been abandoned or soon will be abandoned. These low-grade mines, though fully provided with shafts, adits, railways, engines, mills, &c., which were profitably employed while silver bore a higher price in market, are being abandoned, the improvements put upon them are lost, and great numbers of miners have been thrown out of employment.



1816, of rather from 1824 to 1848, and at the expense of retarding and crushing the prosperity of her industrial classes during the period of such trial.

I have said that the mining of the precious metals is always conducted, on the average, upon the verge of loss. This statement is supported by all writers upon the subject.

The ready marketability of the precious metals, a fact which renders the product of the miner's labor available on the instant, forms a strong inducement to their production, and the competition is so great as to push the production to the verge of loss, perhaps even beyond it. The moment you destroy or impair this marketability of the precious metals, as you do by demonetizing silver, you diminish the production. You could not do the same with wheat or other commodities. Upon these the laws confer no privilege of marketability; they are not legal tender for the payment of debts. Their production therefore never ventures beyond the area of profit—I mean, of course, profit on the average. Present and future demand alone regulate their supply. It is not the same with the precious metals. Their supply has reference to the past as well as the present and future. There is a stock of these metals in the world which has come down to us from the earliest ages of history, and every additional ounce produced affects this stock. There is no similar stock of any other commodities. Even arable lands and stone edifices fail to escape the ravages of time. With metal produced to-day you can discharge obligations for commodities and services sold or rendered years ago. You cannot do the same with wheat or any other commodities. Why? Because the laws make the precious metals legal tenders for the payment of debt. You cannot force a creditor to receive payment in wheat or lands, but you can force him to accept payment in money. Hence the superior marketability of the precious metals—a marketability which is due, in the first place, to their intrinsic qualities of superior homogeneity, divisibility, re-unitability, portability, &c., and in the second place to the law.

If you impair this marketability by demonetizing one of the metals, you reduce it to the same rank as any other commodity, to the rank of commodities which are produced only when such production is profitable. You will not destroy the production of the demonetized metal. Far from it. The precious metals are too valuable for a great variety of industrial purposes. They will still continue to be produced, only the quantity produced will be less; and after the stock of demonetized coin shall be absorbed irretrievably into the arts, the price will be higher. Why? Because the production of the metal will only be continued where it proves profitable. The supply will become regulated by the future and present demand. Rather than push the production of the metal to the verge of loss, men will prefer to engage in some other occupation. The price will not only rise on account of diminished production, but also, and chiefly, because the producer will demand in it a profit. Now he does not; he cannot. The competition is too keen to admit of profit. The production of the precious metals is, perhaps, even on the whole, a constant source of loss. Still, men will engage in it, not only on account of the occasional fortunate and unexpected prizes which it yields, and which is the same in diamond-washing and pearl-fishing, but also because of the superior, the instant, marketability of the product. This instant marketability is due in part to the law. It enables the gold or silver miner to realize the product of his labor at once. It induces him to make the most of that labor; it leads him to overwork; and eventually it destroys him. The valleys of El Dorado are strewn with the wrecks of human lives, wrecks which lie bleaching in the sun to warn away the newcomer. But they warn in vain; and the production of the precious metals continues in spite of loss, and sickness, and premature death. Conducted at this great sacrifice, conducted thus always upon the verge of loss, and perhaps beyond it, the moment the production of the precious metals, or either of them, is discouraged by demonetization, from that moment it sinks to the rank of all other commodities and demands a profit in its price. Suppose you demonetize silver, and thus limit its production to the extent of the demand for it in the arts; and when the stock of silver coin becomes melted up and absorbed, as it soon would be, you discover, as you will be sure to discover, that you have made a mistake: at what price is it imagined can this silver be repurchased? At 15 for 1 of gold? At 12 for 1, 10 for 1, 8 for 1? I fancy not. Gold was demonetized in Japan, and not more than twenty-five years ago it could be purchased in that country at four times the price of silver. Later on they remonetized gold in that country, and were obliged to purchase it at the rate of 1 for 15½ of silver.

Had Japan not been a country at that period very backward in civilization, divided into great feudatories, whose tributes and rents were payable in grain, the difficulty of again monetizing the discarded metal would have been insuperable. Even as it was, the measure was accompanied by a violent social revolution and the entire destruction of the existing system of government.

Are you prepared to hazard an experiment of this character? For the sake of pursuing the idle, mischievous theory called monometallism, urged by an interested, selfish, and short-sighted class of men in England and Germany, and indorsed by certain flippant and conceited writers on political economy, are you ready to invoke the tremendous risk of banishing a metal which constitutes one-half of the world's stock of money, and which, if once banished, can never be recalled without the propitiating sacrifice of all vested interests, of all ex-

isting relations of property, of all the institutions of society? The great institution of Japan was the feudal system, and the moment she opened herself to the influence upon prices and relations which was exercised by the precious metal which she had previously forbidden to compose part of her standard, that great institution was shattered to atoms. The great institution of the United States is popular suffrage. Are we prepared, by abandoning the olden way, the double standard, and exposing ourselves to the social revolution which, after abandoning that standard, would inevitably accompany its re-establishment—are we prepared to see our great institution shattered to atoms, too?

It cannot be doubted that resumption in specie and limitation to the single gold standard would, in time, produce these alarming results. But we are not a people who would open the door to such consequences. We would endeavor to obviate them. And the only way to obviate them would be to go on with irredeemable paper, with violent aberrations of prices, with bankruptcies, and with the pandemonium of the stock exchange.

#### THE DOUBLE STANDARD WILL HAVE TO BE RESTORED.

There are, perhaps, those who do not perceive any reason which would compel a nation to return to the double standard after having abandoned it. These reasons have already been given, and I regard them as unanswerable. They are:

1. The insufficient stock of gold in the world to effect its exchanges without a great, rapid, and overwhelming fall in prices to one-half of present prices in specie.
2. The insufficient annual supplies of gold; there not being more than enough produced to supply the arts and maintain the stock of coin.
3. The fluctuating nature of gold production, which would give rise to violent aberrations of prices from time to time.
4. The monopolization of the supply of gold, which now is chiefly from countries covered by the British flag.

And many other reasons, which these few will serve, perhaps, to recall.

When the tremendous decline and violent fluctuations in prices which must accompany a single gold standard have worked as much ruin and destruction of existing relations as the nation will bear, the revolution in favor of again monetizing silver will be too great to resist; yet remonetization may have to be effected in the face of difficulties and dangers quite as great as those from which escape is sought to be made. It would be Charybdis on one side; Scylla on the other; mischief, danger, ruin, on both.

At the bottom of this dangerous effort to abolish the double standard of this country lie nothing but selfishness and injustice—the selfishness of a class who desire to receive payment for debts and obligations in a metal which, for the moment, and at the mean natural relation, is a few per cent. dearer than the other.

#### SOCIETY CAN ONLY BE RULED WITH EQUITY—THE GOLD STANDARD INEQUITABLE.

Opposed to the consummation of this injustice, not only does all nature array herself, but so also do the unconscious instincts of humanity, the occult working of social institutions. Consummate it if you can, and you will have poverty, distress, commotion, and perhaps revolution. Having consummated it, try then to undo it, and you will find the task beset with great difficulties.

Neglected dislocations of the human frame are difficult to remedy; because the wretched member finds for itself a new socket. The dislocation of the social fabric which threatens to result from the effects of the act of 1873 may yet be averted by the timely measure of restoring the double standard before we attempt to resume specie payments.

You cannot expect to take a nation by the throat, hold it down, squeeze the last drop of substance out of it, no matter in what sacred name, whether of honor or justice, without running the risk of being taken by the throat yourselves. No matter how cunning the injustice is, it is sure to be found out when it comes to work, and sure to be avenged when it is found out. All the interests of society, even the safety and permanence of vested interests, demand the exercise of equity in the affairs of government; and I tell those who represent such interests that, in the long run, they will best consult their advantage in being just at the outset. They got the people of this country by the throat in the ambiguously worded act of February 25, 1862. They pinned the people down by the coin-paying act of March 18, 1869, and now they would squeeze the last drop of substance out of them by the single gold standard act of February, 1873, which they propose to carry into effect by the resumption act (a very proper act of itself) of 1875. And now my advice to them is, to stop and undo the worst part of their work, by repealing so much of the act of 1873 as prevents the silver dollar from being tendered for the payment of debts. The people have paid their full ransom to Brennus; let him not attempt to overload the scale with the weight of his sword, or they may take it up and use it.

#### OUR COMMERCE WITH ASIA DEPENDS UPON THE DOUBLE STANDARD.

Turning from these considerations of danger in abolishing the double standard to those of profit and advantage in retaining it, permit me to call your attention to the influence which this subject is destined to exercise upon our commerce.

It has been the interest in all ages of certain classes to deny that commerce is beneficial, and that agriculture and manufactures or

mining are alone entitled to political consideration; but such a position is utterly untenable. Production cannot advance beyond the rudest limits without commerce, whose essential function it is to exchange that which is not needed for that which is, or to remove commodities from places where they are not wanted to places where they are. In fact, commerce is inseparably bound up with production; there is no actual dividing line between them. The carriage of seeds to be planted, of textiles to be woven, of ores to be smelted, and the removal of the results to places of deposit or consumption, are all commercial functions. Foreign commerce is in like manner inseparable from production, and forms part of it. The implements, materials, agencies, and even remotest sources of national productive industries, depend upon foreign commerce, and would perish without it. Commerce has exercised a potent influence in propagating and extending religion. In its train have ever followed opulence, national strength, political liberty, letters, arts, and sciences. Its advance has always been marked by a general progress in the condition of men; its retardation by a corresponding retrogradation; and its discouragement or decline by poverty, national dissolution, tyranny, slavery, ignorance, and crime. It has destroyed the barriers of distance, alienage, race, religion, and caste. It has equalized the conditions of life in various parts of the earth, and tended to promote that homogeneity of the human race which the profoundest thinkers have maintained is an indispensable preliminary to its highest development.

Asia Major, with the products of its varied climes and its teeming populations of Tartary, Persia, India, China, and Japan, has in all ages been the objective point of commerce, and the nations who found the best route to it, have in turn all held the scepter of commercial greatness. The Phœnicians opened a route (not the ancient canal of Necho) to Asia by way of Suez; the Hebrews, overland, by way of Palmyra or Tadmor. The Suez route was re-opened by the Greeks, and successively kept open by the Romans and Venetians. The Genoese penetrated to Asia by way of the Euxine; the Portuguese led the way by the Cape of Good Hope; the Hansards opened an overland route by way of Novgorod; Spain sought for a path westward and stumbled upon a new world; England discovered a route by way of Cape Horn, and America has paved with iron rails first one route by way of Panama, and afterward another via San Francisco. France has acquired both glory and profit by re-opening the long-abandoned Suez canal of the Egyptians; England has re-awakened the commercial hopes of her statesmen by purchasing a large interest in this canal; the former prosperity of Italy has been revived through her proximity to it; and Russia is exciting the jealousy of England by extending her borders and military posts to the northwestern limits of India.

The commercial diadem of the world, the commerce with Asia, lies within easier grasp of the United States than that of any other nation of the Occident. We not only possess the two shortest or best routes to the Orient, those by way of Panama and San Francisco; we are not only in fact the next-door neighbor to Japan and China, stretching as our possessions do within sight of Kamchatka and holding almost the entire shores of the Northeastern Pacific; we are not only at peace with Asia and regarded by her with more friendliness than any other nation, we possess that commercial object for which Asia is as anxious to seek the Occident as we are the Orient, for tea, spices, and silk. We are at the present moment the largest producers of silver in the world, and silver is the main, almost the only, object of foreign commerce to Asiatics. Even yet, although Europe has for centuries been pouring what silver she could spare into Asia; although all of Atabualpa's treasures and almost all the silver product of Mexico has found its way to Asia Major, the price of agricultural labor in that country is scarcely more than a penny a day, and the taxes levied by its monarchs are paid in rice. These facts prove the necessity and demand for silver in Asia and the comparative scarcity of it even at the present day.

I have already stated that it is estimated that Asia possessed a stock of coin, almost entirely silver, amounting at the beginning of the present century to about \$700,000,000; in 1829 to about \$800,000,000; in 1848 to about \$900,000,000; and in 1872 to about \$2,100,000,000. With a population stationary, and of, say, 700,000,000, this amounted to \$1 per capita at the beginning of the century and \$3 per capita at the present time. Merely to keep this stock of coin preserved from the effects of abrasion and loss, Asia requires some \$30,000,000 in silver every year. To increase it, she requires more.

Suppose we persist in demonetizing our silver, suppose we lessen the demand for its use in the Occident, and help to throw upon the markets of the world a stock of silver which we must replace with a stock of gold, is it not patent to the humblest understanding that we would lower its value and be obliged to sell it to Asia, who, having then no competitor for its possession, would be likely to obtain it at a very low price in her commodities? Is it not plain that under such circumstances and for a long series of years to come, our annual product of silver would follow the way of our rejected stock, and fall into the hands of the Orient at a degraded price? Should we not have to pay more, much more, than now, for the teas, spices, silk, rice, textiles, and other raw materials which we obtain from that quarter of the world? And were we obliged eventually, as I believe we should be, to buy back this thoughtlessly demonetized and abandoned stock of silver, should we not have to purchase it at a very high price, seeing that meanwhile all prices in Asia would have become greatly enhanced?

Hence, if we let slip the present favorable opportunity to purchase silver for the purposes of resumption, we may find it very difficult to do so in future. When occidental silver once gets to the Orient it rarely returns, and it never will return in any considerable quantity until the scale of prices in the two great divisions of the globe become more nearly equalized than they are at present. This may be centuries hence.

Nature has furnished us with such advantages for seeking the commerce of Asia—advantages of route, of amicable relations, of an ample supply of silver—that if we do not senselessly throw them away, we are almost certain to monopolize the Asiatic trade and the vast profits that accrue from its pursuit. Asia stands in urgent need of silver; that silver we possess, and she must now come to us for it and purchase it from us; and as we can afford to sell it to her cheaper than Europe can, by the difference of carriage, insurance, interest, commissions, &c., we are almost certain to secure the monopoly of her trade, and with it a market not only for our silver, but also for our coal and iron, our wheat and Indian corn, our manufactures, our literary and our art products. And, moreover, we shall inevitably become what England is now, the occidental world's emporium for Japanese, Chinese, and East India products. Instead of being obliged to go to Europe for these products as now, Europe will be obliged to come to us for them.

Was it mere forgetfulness or a perversion of correct views which induced some of our public men to entertain even for an instant the notion of abolishing the double standard and degrading our silver product, or was it the sinister advice of nations whose far-seeing commercial policies detected the advantages which we possessed over them in the future rivalry for the rich trade of the Orient?

Already has the partial demonetization of silver in Europe had the effect of helping to triple the stock of silver which Asia possessed at the opening of this century, and yet so small is the stock of coin among Asiatic nations that, if silver is not entirely demonetized in the Occident, there is not the slightest chance that the surplus silver of the world for centuries to come will suffice for the wants of Asia. Even with a partial demonetization of silver in the Occident, Asia will be able to absorb such portion of the surplus current supplies of the world as can be spared, as well as a large portion of the stock, without being saturated with silver.

#### SILVER CANNOT BECOME CHEAPER THAN IT IS AT PRESENT.

To those who indulge the insane fear that the late rise of gold or decline of silver caused by the European demonetization, will continue, it is only necessary to say that the thing is impossible. This decline cannot continue after the discarded stock of silver is worked off, and when the cost of its production again becomes the principal factor of its price. And should this country wisely conclude at this favorable juncture of affairs to remonetize silver, the time necessary for it to advance to its former relation with gold would be comparatively short.

Specie is too scarce in China and India, prices are too low, and the mere maintenance of their present stock of coin demands a supply of many millions a year. I have seen the Humboldt, Truckee, and other rivers which flow between the eastern slope of the Sierra Nevada and the western walls of the Wahsatch, and which, near their sources in the mountains flow in great volume, sink all at once into the sands of the desert and disappear from view forever. An attempt to saturate Asia with silver would, to my mind, be as successful as one to saturate the Great American Desert with the waters of these rivers.

But let us suppose, for the sake of argument, that Asia cannot take the surplus of silver of the Occidental world and demands gold instead for the balance of her foreign trade. Would this not make gold so scarce as to force us of the Occident to keep our own stock of silver which we now would banish? And if it would force us to keep it then, why should we not keep it now? Why change and disturb prices only to come to the same result at last? Why place ourselves in a dilemma, either horn of which is dangerous? Why attempt to banish silver to Asia or force her to send it back to us, which she would do in case the above supposition is well founded; a supposition not borne out either by philosophy or fact.

Banish silver from the western world, and you will help to banish progress with it; you will unwittingly and powerfully assist the growth and development of China and India at the expense of our own progress, and precipitate a monetary revolution, whose overwhelming and widespread effects no man can fully estimate or foresee.

#### THE MEXICAN AND CENTRAL AND SOUTH AMERICAN TRADES.

Similar considerations, scarcely less important, demand that our double standard shall be restored in respect of our commercial and other relations with Mexico and Central and South America. All these countries except Brazil and Chili have either the single silver standard or the double standard of gold and silver. Omitting Brazil and Chili, these countries contain an aggregate population of more than 25,000,000 souls. This vast population is at the present time entering upon an unprecedented era of activity and progress. Their trade with the manufacturing states of the world belongs naturally and by reason of proximity to the United States. Shall we run the risk of losing it by unnecessarily depressing the quotations of South American products in our market, as we should do if we limited ourselves to a single gold standard? Shall we offer to them for their productions a tainted measure of the metal which they do not want, instead of a fair measure of the metal which they do want? Shall we force them to manufacture for themselves, rather than purchase the



fabrics they need from us in exchange for their valuable raw materials?

THE CRESCENDO AND DIMINUENDO THEORY OF THE ACTION OF MONEY.

I now come to those considerations in reference to this subject which have ever commanded the most serious attention of statesmen and publicists. I allude to the effects of increasing or diminishing money upon the social, moral, and religious welfare of peoples.

I have already shown how profoundly the diminution of coin in the occidental world, from the period of the Roman empire to that of the discovery or re-introduction of bills of exchange, affected the welfare of Europe. But as, perhaps, it may be disputed that the Dark Ages, and the awful social wretchedness which characterized them, are attributable wholly, or even in great part, to the diminution of money which occurred during that period, I have deemed it best to bring into view more recent and familiar eras of similar character, eras which pertain, not like the Dark Ages, to a remote period and an entire continent, but to later times and particular countries, wherein the relation of the mutations of the currency to the welfare of the people is so close as to admit of little doubt concerning the influence and action of one upon the other.

I have already stated that, from the nature and functions of money, it made no difference to the welfare or convenience of society whether the total sum of money was large or small, provided that it was neither so large nor so small that the substance of which it was made, the precious metals, could practically be coined into pieces of convenient size for transportation or handling and for the transactions of the ordinary business of life.

While this is quite true, it nevertheless does make a most important difference whether the sum of money be increasing or diminishing. This difference, and the social phenomena connected with it, has been very fitly termed by the author of the essay on currency in the original edition of Johnson's *Cyclopedia*, the *crescendo* and *diminuendo* theory, a phrase derived from the terminology of music, an art whose terms are essentially expressive of movement in time.

SOCIAL EFFECTS OF INCREASING AND DIMINISHING MONEY.

*Crescendo* or increasing, and *diminuendo* or diminishing, are terms which have been deemed convenient for the expression of the movement of the stock of money in time. While this stock is increasing, prices rise; exchange or commerce is stimulated; new enterprises are set afoot; the products of agriculture, manufactures, and mining are increased; the commercial and industrial classes find abundant employment and earn remunerative profits and wages; bankruptcies and suicides rarely happen; marriages are promoted; the newly born survive in greater numbers; population increases in quicker ratio; letters, the fine arts, and the sciences make most rapid strides; education, intelligence, morality, and the observance of religion are promoted; and the general happiness of mankind becomes greatly enhanced.

What is the cause of all this industrial activity and social progress? What action or influence of the increasing stock of money lies at the bottom of it? Simply this: that an increasing stock of money tends to distribute wealth, and it is the distribution of wealth which effects these wonderful results. "O! it is agrarianism or communism that you propose. You would go on increasing artificially and by legislation (for it is only artificially that it can be done) the sum of the currency forever, in order that wealth may be continually distributed, industrial activity stimulated, and social progress promoted."

I propose nothing of the sort. I have depicted the consequences of an increasing stock of money, not in order to advocate an artificially increasing currency, but as preliminary to depicting the consequences of an artificially diminishing currency, and with the view of warning the country against submitting to any such diminution. I do not propose to rob the capitalist; but neither do I propose to permit the capitalist to rob society.

While the stock of money is diminishing prices fall; commerce is depressed; enterprises are abandoned or neglected; industry is paralyzed; its products are diminished; its supporters defeated in their just expectations or thrown out of employment; bankruptcies and forced sales are increased; marriages are discouraged; suicides become common; the newly born perish; the increase of population is retarded; the cultivation of letters is abandoned; the arts and sciences fall into decay; education, intelligence, morality, and religion are neglected; crime increases; and general misery prevails.

What is the connection between the stock of money and these appalling social phenomena? Simply this: that a diminishing stock of money tends to concentrate wealth, and the concentration of wealth is a cause sufficient to promote all of these evils. "Would you, then, legislate with the view of preventing the stock of money from being decreased? Would you repeat those measures of medieval coercion which distinguished the reign of Henry V, who forbade gold or silver to be used in the arts in order to prevent the stock of money from being diminished?"

I would do nothing of the sort. I propose neither to increase the currency by artificial means nor to diminish it by coercion. I propose to follow and advocate that policy which little minds never perceive the advantage of pursuing, but which the great men of the world have recognized to be the only safe one in commercial affairs. I propose to let things alone. *Laissez faire* in money is as important to the well being of the world as *laissez faire* in corn.

Is it not time, Mr. President, that we republicans, we the exemplars

of civil freedom to the world, should abandon and renounce this mischievous policy of meddling with the affairs of commerce; this policy which has been handed down to us by the tyrants and marplots of the world—the men with bloody hands and the men with ruthless purposes? Is it not time that we practiced freedom as well as preached it?

For five thousand years has the world been amassing a stock of gold and silver money wherewith to conduct its commerce, and yet in one instant and by a single blow, would our irreverent and mischievous hands annihilate one-half of this stock. The act of 1873 essentially impaired the character of silver as money in this country—a character which it did not owe to legislation, but to fitness and immemorial usage. Could the act have affected other countries as it did this one alone, it would have demonetized silver throughout the world.

What is the principal effect of demonetizing silver? It reduces the entire stock of money by one-half. This effect may be mitigated by permitting a small sum of debased silver coins, as tokens, to pass current for petty payments in each country, but even then its chief harm remains. The money of the world commences to diminish, prices fall, wealth becomes centralized and concentrated in a few hands, property is sacrificed to pay debts incurred before the diminution, bankruptcies ensue, industry is petrified, want and wretchedness stare the commercial classes in the face, and to escape from these disasters they take refuge in dishonesty and immorality, and in the end wind up with crime and destruction.

The evidence of these deplorable consequences of arbitrarily diminishing the stock of money is to be found in the social statistics of all countries. It is only for the sake of brevity that I content myself with adducing a portion of those only of this country. And here let me remark to the possible objection that the statistics of the currency of the United States include paper promises, that the principle is the same, whether the currency is of money alone or money and paper combined. So long as the promises are deemed to be good enough to pass current as money their effect upon prices is precisely the same. It does not follow from this, as some theorists erroneously maintain, that paper promises would pass current as money without a money basis. On the contrary, repeated experience proves that they will not. Nor does it follow that, because a diminishing stock of money or mixed currency produces the evils alluded to that these evils can be avoided by recourse to a forced currency of paper. They can only be avoided by letting the currency alone, and the sooner we learn and appreciate the importance of this great truth the better will it be for our country and the world at large.

[For the tables alluded to in the text, see Appendix.]

THE WORLD'S STOCK OF THE PRECIOUS METALS THE GREAT CONSERVATOR OF ITS CIVILIZATION.

It will perhaps be remarked that no statistical evidence has been offered to support the assertion made with regard to the effect of the movement of the currency upon letters, the arts, &c. The reason for this is that, while statistics have made such progress that they now fully cover certain features of civilization, and concerning these features afford most thorough and convincing testimony, they do not yet fully cover certain other features, such as those omitted from the illustrations adduced. Within the boundaries to which thus far its conquests have been confined the use of statistics is of the highest importance to the student, the publicist, and the legislator. Beyond that, such use is almost valueless, and want of discrimination as to where to stop in the employment of statistical evidence can have but the single result of bringing statistics into undeserved disrepute.

We know *a priori* that the gradual diffusion of wealth means also the gradual diffusion of the work of life, wherein no feudal tyrant or merciless plutocrat can lord it over the masses of a community bound to exacting toil or helpless slavery. It is only during this tendency (mark, I say tendency) toward a distribution of rewards according to effort that letters and the arts can flourish. At all other periods, if they make any progress at all, it is confined to a few favored persons, and soon perishes; for the acquisition of letters must be the result of leisure and exemption from toil, and the community that is bound to continual labor can never hope to enjoy the fruits of this divine art.

Therefore such an increment of the stock of money as would work out a gradual diffusion of wealth, and with it the more equitable distribution of work and leisure than would result from a stock of money which was decreasing or stationary while population advanced, could not fail, and it has never yet failed, to promote the progress of letters, the arts and sciences, morality and religion. Nor could any greater increment occur than one which would be sufficient to induce a *gradual* diffusion of wealth; that is, so long as the world retained its present vast stock of the precious metals. Estimating this stock at \$5,700,000,000, it requires \$85,500,000 a year to keep it from waste by abrasion and loss, and the annual supply of the precious metals or so much of them as is available for coin has rarely been so much in excess of this sum as to be sufficient to produce more than a very inconsiderable and gradual diffusion of wealth. If the increase by population be considered, the process would be extremely slow.

Viewed from this point, it will be seen that the world's stock of the precious metals has really been the great conservator of civilization. It is this stock and its slow increment since the sixteenth century which has kept prices, on the whole, steady and slowly rising;

just as it was the decrement of this stock which threatened the extinction of civilization during the Middle Ages. It was the little of it that survived throughout that memorable era which prevented the total subversion of society, and with it letters and the arts, in a word, civilization, and it was in the country that preserved the greatest stock of it during that period that civilization held aloft its highest torch.\*

#### THE RESERVOIR OF THE PRECIOUS METALS.

Lest this phrase, "the great conservator of civilization," sounds too grand, let it be supposed that at the present time no reservoir of the precious metals existed, or that the entire stock of money was destroyed in an instant. Setting aside the incalculably calamitous consequences of such a catastrophe, is it not plain that the annual supply of the metals, now amounting to about one hundred millions, would assume a new importance in the distribution of wealth and each individual's share of production? Assuming that the precious metals would continue to be used for money, because no other materials would answer the purpose so well, would not these supplies as fast as they came forward affect the prices of commodities and services so enormously and suddenly as virtually to place society at the mercy of the few persons who might be able to control or anticipate such supplies?

In the immensity of the world's stock of the precious metals, which forms a measure of value of such vast proportions that no vicissitudes of production can sensibly affect it, society therefore possesses a guarantee for the conservation of all those institutions upon which civilization depends; upon diffusion of wealth, adequate reward for effort, due proportion of production, liberty, leisure, letters, the arts, morality, and religion. And yet it is one-half of this precious stock that madmen would now destroy or degrade to the level of gowags and bangles.

In the face of the significant facts which we have found to correspond with the movement of the currency, whether in the same is counted only the real money in circulation, or the real money combined with the credits based upon it, (if due allowance be made for their differing ratios of activity,) I ask you, are you prepared to confirm and ratify the thoughtless act of 1873, which demonetized silver as a legal tender in the United States, or will you restore that metal to its rightful position in the money of the country?

Have the industrial, the commercial, the active, the progressive, the working classes of the country no rights that legislation is bound to respect? What authority has this Chamber to shorten or curtail the standard by which their labor is to be measured? What justice, what wisdom, what safety is there in assisting to destroy the efficiency of one-half of the world's stock of specie, one-half of that measure of value which has come down to us sanctified by fifty centuries of toil, of usage, of experiment, of universal approval? Can you look on with unconcern and permit the entire relations of society to be disturbed in the fancied interests of that small class of persons who in every country are wealthy enough to monopolize the possession of its measure of value—which, at best, is limited, and barely sufficient to keep pace with the increase of population and commerce?

Such is the pressing scarcity of money, both of gold and silver, throughout the world, that every conceivable form of substitute for it, both safe and unsafe, is in use to eke it out. Every country of the world is using credit in some form as a temporary substitute for money; yet you would arbitrarily demonetize one-half the stock of money, under the erroneous impression, either that one metal is a measure of value less fluctuating than two, or the equally erroneous one that the option of two metals to pay with is derogatory to the rights of creditors which accrued while that option was open.†

#### CONSTITUTIONAL AND LEGAL ASPECTS OF THE CASE.

I shall now endeavor to show that under our Constitution both the precious metals are made legal tender for the payment of debts.

I hold—

First. That the word "money," as used in article I, section 8, of the "Constitution of the United States," means both the precious metals, silver and gold, and, by reason of the context, cannot mean either paper promises or one of the metals only.

Second. That the power to "regulate the value thereof" was necessary in order to render this meaning effective, and that, had "money"

meant one metal instead of two the power to regulate value would have been supererogatory, abortive, and absurd.

Third. That no other construction of the phrase "to regulate the value thereof" is admissible, because even in theory law cannot regulate values, unless the things whose values are to be regulated are specified, and practically, unless also the law-power or Government possesses control of the supply or demand of the things to be valued. As all things cannot be specified, and as Government only has control of the supply of gold and silver coins, it follows that the value of these commodities, one to the other, is all that can be "regulated" under the Constitution, and that this regulation constitutes both silver and gold as money and legal tender.

I. Article I, section 8, of the Constitution for the United States provides that—

The Congress shall have power \* \* \* to coin money, regulate the value thereof, and of foreign coin, and fix the standards of weights and measures.

What is money? Gold and silver coined. This was the only meaning attached to "money" when the Constitution was framed, and it is the only proper meaning. In late days the word money has been used to mean any circulating media, whether gold or silver coined, or promises to pay. That such is not the meaning of the term as employed in the Constitution is evident from the phrase "to coin," which prefixes the word "money." Promises to pay cannot be coined, nor were any other metals than gold and silver used as money in this country or any other at the period of the Constitution: therefore, money, as mentioned in that instrument, meant gold and silver coined, and could not have meant anything else.

Nor could it have meant either one of these metals separately, because of the affix, "and regulate the value thereof."

What is value? The relation between two services or commodities exchanged, or, to be more precise, the quantitative relation in services or commodities between two services or commodities exchanged. I have already explained the meaning of this term. (See page 14, ante.) It must not be compared with worth, utility, or desirability, which are intrinsic qualities or characteristics without quantity; whilst value is an extrinsic and a quantitative characteristic which is only determinable in exchange. Worth, utility, and desirability may reside in an object without reference to exchange. Value without exchange is impossible. Law cannot regulate the worth, utility, or desirability of a commodity. Why? Because these are intrinsic and incommensurable characteristics, and are therefore not susceptible of regulation. Law can regulate value, because value is an extrinsic characteristic, determinable by exchange. But law cannot regulate the value of a commodity generally, and as to all things, unless it specifies separately the quantity of all things which shall be interchangeable. This is not only palpably impracticable, but, even were it practicable, is clearly inadmissible as a construction of the constitutional phraseology. An attempt to regulate the value of money as to all things would produce the utmost injustice and confusion in industrial affairs, and entirely subvert the Constitution and the objects for which it was established. The power to regulate the value of money was therefore confined to gold and silver only. It could not have been with reference to other things.

II. Even with reference to gold and silver, the power to regulate the value of money would have been supererogatory unless money meant both gold and silver, and value the relation between them; for value in respect to an isolated thing is inconceivable and impossible, value being a relation and not an intrinsic quality. If "money," according to the Constitution, meant both gold and silver, the power to regulate the value thereof was a necessary incident to that of coinage, and this view affords the only explanation of the employment of the phrase "to regulate the value thereof" in the Constitution. Otherwise the phrase was powerless, meaningless, and absurd. To coin money and regulate the value thereof are, therefore, inseparable powers, and although Congress is not required to exercise them, but is merely permitted to do so, yet, if exercised, they can only be exercised together, and the exercise of one power without the other is unconstitutional. Therefore, so long as any coins of the United States are in existence the suppression of the silver dollar by the act of 1873 is void.\*

III. Practically, the Government has control of only two commodities among all those known to the world: these two are gold and silver coins. The Constitution gives to the Government exclusively the power to coin money, and this power gives it practical control over the supply of gold and silver coins. It may be held, indeed, that the same power gives it also control over any substances which it may choose to employ as money; for example, copper, tobacco, musket-balls, wampum-peag, paper promises, &c. But the impracticability of regulating the value of substances of such heterogeneous composition and limitless supply merely serves to show the absurdity of attempting to extend the meaning of the phrase "money" beyond that which was clearly attached to it at the time of the Constitution, namely, gold and silver coins. These various substances, and many others, had all been employed in this country as substitutes for money, or as tokens, previous to the Constitution, and some of them were in

\* The word dollar was first defined in the coinage act of April, 1792. Therefore, the powers of coining and regulating value were first exercised together. There was no regulation of value before coining; therefore no regulation of the value of the foreign coins which circulated in the United States previous to 1792.

\* Professor John W. Draper, in his recent work entitled *The Conflict between Science and Religion*, states that Almanzor, the Moorish King of Granada, then the foremost country of Europe in civilization, population, and wealth, left at his death a treasure of gold and silver amounting in value to \$150,000,000. How much of this sum consisted of coin is not stated.

† The main argument used in favor of the gold valuation is this: "If a creditor, having stipulated for a fixed payment, may be paid by the debtor in either gold or silver, the latter chooses the material which comes cheapest to him, and the creditor suffers an injustice." Without inquiring whether the creditor on entering upon the contract also exercised his option in furnishing the debtor with either material, and therefore cannot claim another treatment—without inquiring whether, as he can also part with the material received on the same terms, and must do so, I can show you that the dogma is one untrue, both in practice and in theory. \* \* \* The large business of exchanging contracts, as well as all such dealings in capital and commodities, in which the "creditor" stands in the position assumed above, is carried on by accounts, checks, and clearing systems without the use of any currency, and so the great system depends upon the exchange of equivalents of value alone.

There can be no question of any difference or disproportionate "cheapness" between them, (the metals.) The debtor, in order to obtain either gold or silver coin, must render up the same equivalent for either. (Ernest Seyd, *Journal of the Royal Society of Arts*, March 10, 1876, p. 349.)



wide use at the time of that instrument. But it is quite clear that none of them were referred to in the phrase "money," and that gold and silver alone were meant.

Having control of the two commodities, gold and silver coins, and of these two only, it was not and is not practicable for the Government of the United States to regulate the value as between any other commodities than gold and silver coins.\*

Having made this regulation, Congress went as far as it had power to go. In the regulation that "the proportional value of gold to silver in all coins which shall by law be current as money within the United States shall be as 15 to 1, according to quantity in weight of pure gold or pure silver," (act of April 2, 1792, section 11,) Congress exercised all the kind of power which was conferred upon it by the Constitution regarding the regulation of values.

#### VIEWS OF THE LAST GENERATION ON THE CONSTITUTIONAL QUESTION.

The view herein taken is that which has hitherto been taken by all who have carefully considered this subject. In a report to this Chamber by one of its members, Mr. Sanford, the chairman of a "select committee to consider the state of the currency," appointed by the Twenty-first Congress, (see Executive Document, second session Twenty-first Congress, December 15, 1830,) he held the following language:

The Constitution of the United States evidently contemplates in the power conferred upon this Government to coin money, regulate the value thereof, and of foreign coins, and the restriction imposed on the States to make nothing but gold and silver coins a tender in payment of debts, that the money of this country shall be gold and silver. Our system of money established in the year 1792 fully adopts the principle that it is expedient to coin and use both metals as money, and such has always been the opinion of the people of the United States.

At this period (1830) there was not a dollar of gold in the country. England nearly depleted us of what little we had, previous to 1817, in order to prepare for the resumption of specie payments, which had been suspended in England since 1797, and which resumption the ruling classes of England had unwisely or selfishly planned upon the basis of a single metal. This depletion went on from 1817 until after 1830, perhaps until 1821 or 1822. Then it stopped, so far as we were concerned, from sheer exhaustion on our part. We had no more gold to sell. At that period we had nearly \$70,000,000 of bank paper afloat. What condition this country would have been left in had our statesmen been as indifferent then as they appear to have been in 1873, in regard to the constitutional requirement to make both gold and silver legal-tender money, I leave to the imagination. Our population was then 10,000,000. We had but lately emerged from a war with England, at the close of which gold had stood, in our excessive paper issues, at 117, and an attempt to resume in 1817 was met by a revulsion in 1819 and a secondary revulsion in 1821.

Imagine 10,000,000 of people, exhausted by war and the sores of a double revulsion, depleted of every dollar of gold, and divested of the power to resume in silver or use that metal in the payment of debts. Do you suppose, if the statesmen of 1822 had been as forgetful of the interests of their country and as oblivious of constitutional law as seem to have been those of 1873, that any respect would have been paid to their legislation, and that if it had been respected, the country could have been saved from revulsion and repudiation? I fancy not.

And this episode of our history conveys more than one warning, more than the warning that monometallism, if persisted in, may bring the country to great social and political disturbances. Some people are so filled with the sense of security that a warning of repudiation seems to them a mere bugaboo. Simple failure in an attempt to resume specie payments is to them an event of far greater likelihood, if not of importance. Very well, then; the episode before us contains the warning of such a failure, of two such failures. We tried to resume in 1817; we tried again in 1821; and on both occasions distress followed. What was the cause? Lack of specie. We tried to redeem sixty or seventy millions of paper with twenty or twenty-five millions of coin. What was the cause of the lack of specie? England had drained us of our gold, which she virtually overvalued in order to prepare for her own resumption.

But for silver, the use of which as legal tender had been preserved for us by the Constitution, we should not have resumed at all, at least not for forty years after, when California opened. The case is similar now. England again has drained us of our gold. We have \$800,000,000 of paper afloat and less than \$50,000,000 of specie wherewith to redeem it. Yet Congress orders resumption to take place, and forbids the employment of silver wherewith to resume. Is it not plain that resumption is quite impracticable; that a sum of gold sufficient for the purpose cannot be purchased throughout the world at any prices for bonds or exports at which we would be willing to sell, and that any attempt to resume, unless the constitutional requirements as to the monetization of silver are obeyed, will plunge the country into all the disasters of monetary revulsion?

#### VESTED INTERESTS UNDER THE CONSTITUTION.

Ever since Mr. Webster's time it has been an oft-quoted doctrine that under the Constitution the destruction or impairment of a vested interest by act of Government is in the nature of a breach of contract. Without giving adhesion to this doctrine it ought to be remarked that, as a rule of law it appears to work too many ways to be practicable,

because legislation is impossible without disturbance of social relations, and therefore of existing interests. However this may be, the rule has been held to apply with peculiar force, though I know not why, to the vested interests of the public creditor, and prejudice has been arrayed against the return to the double standard because it is held that payments in silver might affect the interests of the public creditor. To this I have already adverted and I do not propose to raise that question now. But while on the subject of vested interests and breach of contract there is something more to be said. That something relates to the mining interests of this country; interests which, I think it will be admitted, are quite as important to the welfare of the country as those of the public creditor.

The mining interests of this country came into existence under clauses of the Constitution which it was well understood made both gold and silver money legal tender for the payment of debts. During the first three-quarters of the period of our national existence silver chiefly and for the most time only was employed as money; during the last quarter of the period gold was chiefly so employed. But not until 1873 (and that merely by implication) was either metal demonetized. It was therefore while both metals were money that the entire gold and silver mining interests of this country were created and built up, at first upon alluvial findings and washings, and afterward with the profit from those upon the more difficult and expensive ores in veins and lodes. These interests, once so few, now so numerous that they yearly throw into the lap of the country \$100,000,000 of the precious metals—more than one-half of the product of the entire world, and sufficient if rightly managed to render our country the clearing-house of the world—were literally built up with the naked fingers, with the rude pick and cradle. This single foundation was that clause of the Constitution which makes the precious metals money, but for which they would have had no existence, and upon the continued and faithful observance of which they depend even to-day for maintenance, because, though of gigantic dimensions in the aggregate, their average profit is so small that it vanishes with the slightest disturbance in the value of the precious metals. Yet there are those who hold in respect of these permanent, important, and well-deserving interests vested in mining that the interests of a pack of clamorous money-lenders in London, Berlin, and Frankfurt are of vastly more account than theirs. The recent project of a Boston correspondent to pay the interest on the public debt in silver dollars they sneered at as "a nice down-east joke," and bullied about the rights of vested interests under the Constitution.

The Constitution! Sir, when I come to pronounce that word I do so with a respect that is akin to reverence; for under the shadow of that instrument, so wisely and so wondrously drawn as to have lasted a century of the world's busiest times, there has grown up from thirteen feeble and jealous colonies, containing 3,000,000 people of varied origin and conflicting interests, a nation of thirty-eight proud States, containing 45,000,000 people, free, homogeneous, prosperous, strong, and progressive. When and where else in the world's history has such a growth been seen? The constitution of the Roman republic, though nominally it lasted longer, really did not last so long, for it was frequently and essentially altered and modified. It had to deal with a far lesser number of states, interests, or people, and the progress under it was nothing as compared with our progress. Take the most important of modern states, England, France, or Germany. In which of them will you find the same freedom, the same equality, the same ingenuity and adaptability, the same energy, the same elasticity, the same rapidity of growth, either in numbers or wealth? Since the date of our Constitution England has scarcely tripled her population. France has not yet doubled hers, while ours has increased fifteen times. Our national life has not been without its vicissitudes, but who can deny that it has been grand, noble, and progressive, and that it is due, all of it, to that sacred instrument which we rightly term the Constitution for the United States?

In pronouncing the name of this instrument I do so with the respect due to the mighty agency which it has had in building up a great nation and promoting the progress of man in all countries.

In this remembrance I should almost regard it as sacrilege to invoke its support of a false doctrine, to twist it, distort it, or seek to turn it aside from its plain meaning. And I regard it as sacrilege when I see it used as a cover to protect the sharp-toothed greed of plutocracy.

That gold and silver are both the money of the Constitution is so obviously the meaning of that instrument that the question, so far as I am aware, was never fully raised until lately and after the passage of the act of 1873. That the Constitution either directly or by the remotest implication throws any mantle of protection over the public creditor, which does not at the same time as amply cover the third greatest industrial interest of the whole country—this I deny.

Between an interest which has become "vested" by dint of hasty and ill-considered legislation, and one which has become "vested" through bold adventure, the peril of life, the miasma of death-inclosing valleys, the snows of lofty mountains, the arid and burning plains, through incessant labor, and far away from "home" and familiar faces, between these classes of vested interests there is a wide difference. One of these classes demands the maintenance of the act of 1873, because it fears that the overthrow of that act may have some possible bearing upon the advantages which it has secured; the other asks for its immediate abolition because it is unconstitutional,

\* Not even between gold and silver bullion.

it is unwise, it is sapping the foundation of an industry of vital importance to the country. Let the Senate decide between them, and choose whether it will intrust the welfare of the nation rather to the money-dealers of Lombard street and the Continent than to the hardy mountaineers of the Sierra Nevadas, whose occupations are envied with danger and whose unceasing watch-word is Liberty!

#### WHAT THE HAND OF THE DESTROYER HATH SPARED.

Some of the greatest nations of the earth have been destroyed, and it has been asserted that nothing remains to attest their existence except the languages they employed. Such is the case with the ancient Arabians, the Phenicians, and the Carthaginians, who were all of the same race. Such, also, was the case with the ancient Malays, Egyptians, and Toltecs. Of the Lake Dwellers of Switzerland or the Mound Builders of America, it is said that not even language remains. And yet all of these nations and many other prehistoric ones, as the Pelasgians, the Etruscans, &c., have left a legacy to mankind. That legacy is the precious metals which they employed for money. Much of it must still be in existence in some form or other of usefulness. The hand of the destroyer, Time, hath spared this, even while he hath not spared language. And yet there are impious men to-day who, for the sake of a temporary personal advantage, would strike down this last and precious vestige of nations who fought and labored scores of centuries ago that we might now live in peace and plenty.

#### WORSE THAN DESTROYING THE MINES.

The demonetization of silver would not merely have the same result as the stoppage of all the silver mines of the world; the result would be far worse; it would be as though one-half of all the labor of past ages, except what doubtful legacy has remained in the shape of land improvements, were blotted out of existence. This would be worse than destroying the mines, for they might be re-opened, whereas the demonetized metal would be irretrievably lost in the arts and otherwise.

#### "LET THINGS STAND AS THEY ARE."

"Let things stand as they are" is the false and treacherous maxim of those who have wrongfully obtained an advantage over others. *Laissez faire* does not mean "let things stand as they are," but "let alone" altogether. The existing state of affairs may be the result of a good deal of meddlesomeness. To let them remain as they are would be to let ruin work its own way. The single standard foisted upon this nation by the act of 1873 was a mischievous interference with trade, and things cannot be let alone until this act is repealed. The suppression of the double standard cannot be compared with the usury laws. It is ten thousand times, nay, infinitely worse; for in the rate of interest for money there is competition between money-lenders, whereas concerning the kind of metal in which they will demand to be paid there will be no competition whatever. Herein the interests of all money-lenders are identical. The only way to meet their rapacity is by restoring the double standard, to give the debtor the same option in paying that the creditor had in lending.

#### ANTQUITY OF MONEY—PREHISTORIC NATIONS—EXPERIMENTS IN MONEY—GOLD STANDARD—PLATINUM COINS.

Hitherto, in alluding to the antiquity of gold and silver money, I have sometimes used the expression thirty or fifty centuries, the former referring to the oldest coins now extant, the latter to the earliest period for which we have indisputable evidence concerning the use of these metals for money. But if there is any credence to be reposed in the numerous authorities quoted in Baldwin's Prehistoric Nations, both gold and silver were employed as money by the ancient Arabians or Cushites from sixty to a hundred centuries ago. The precise antiquity of money is, however, of little consequence in this connection. It is sufficient if we know that it is of very great antiquity, and of this there is no doubt whatever.

During all this time every conceivable sort of experiment was made with money. It was tried in nugots, in "dust," in wire coils, and in coins; round, square, oblong, punctured, buttoned, milled, and unmilled coins; coins with and without alloy; pure coins, composite coins, base coins, plated coins, coins of brass, tin, iron, nickel, and platinum.

The history of platinum coins exemplifies the results of all these experiments. These coins were adopted in Russia in 1826, during the notable decline in the product of the precious metals, which occurred from 1810 to 1840, and before the Ural and Siberian mines were opened. No substance was intrinsically more suitable to answer the purposes of money than platinum. It was only inferior to the precious metals in one respect, but that respect proved fatal to its continuance. There was no great stock of platinum in the world to modify the vicissitudes of its current production as there is of the precious metals; no reservoir of antiquity, no heirloom of the centuries. Consequently, every time the annual production of platinum greatly increased, prices in platinum coins were suddenly and violently advanced, and every time the production of platinum fell off, prices fell. These violent aberrations proved fatal to the continued use of this metal for coins, and it was discontinued. The same thing had previously occurred with coins of brass, iron, tin, &c., and if our nickel coins were anything more than tokens, mere promises to pay stamped on base metal, the same thing would happen with them.

Substitutes for money form another class of experiments which have ended disastrously in bank panics, in commercial crises, in stay laws, and in repudiation. The trouble is the same with bank credits

as with coins of any other substances than the precious metals. There is no stock on hand to modify the influence of great supplies.

The adoption of the single gold standard is another experiment in money of similar character, and subject in a measure to the same fatal objection. In this case the stock on hand is very great; but it is only one-half as much as that of the two precious metals combined; and this important fact must settle the fate of the experiment.

#### COMPARATIVE FACILITY AND COST OF TRANSPORTING GOLD AND SILVER.

During the great continental wars of three-fourths of a century ago, the necessity of having large military chests in the service of armies rendered it necessary to transport large sums of specie in the field. For this purpose gold was found to be superior to silver on account of its lighter weight in proportion to value. While the fact was then so important that it may have had no little influence in reconciling the British nation with that formal adoption of the single gold standard which followed shortly after these wars, it is now of no importance whatever, even in Europe, and never has been of any importance in this country. Armies do not employ military chests nowadays. Russia, Austria, Italy, Germany, France, and even England, have fought their greatest campaigns with the aid of treasury or bank paper. In America all our wars have been fought with paper. The colonial expedition to Louisbourg, in 1745, was conducted with paper, our war of Independence was fought with paper, our rebellion was put down with paper. Whatever may be the evil effects of paper, it is hopeless to expect that it will not be issued by governments in the event of great wars. War is of itself the greatest of evils, and the lesser evil of paper merely follows in its wake, as sharks do the mutinous ship.

In times of peace the cost of transporting a given sum in gold or silver is the same, notwithstanding the lighter weight of the former. Freight upon gold and silver are rated according to value, and not according to bulk or weight. The freight upon a ton of gold from California to New York is now more than sixteen times as much as that upon a ton of silver, and this is the same upon railway, and steamship, and other transportation lines throughout the world. The curious will find the actual freights quoted in M. Cernuschi's work on Bimetallism.

The rating of freights upon gold and silver by value instead of bulk or weight is due to the important consideration of risk. The bulk or weight of a million dollars in silver is far greater than that of a million dollars in gold; but the risk of loss from accident or robbery is far greater in the case of gold than in that of silver. An ingot of gold worth \$2,000 could be very easily lost, and would be very difficult to recover in case of a railway collision, a fire, the breaking of a bridge, a robbery, &c. An ingot of silver worth \$2,000 would be difficult to lose and easy to recover; nor could a thief conveniently carry it off, because it would weigh over a hundred pounds. No guards are required to conduct a shipment of silver bars, because no highwaymen could lift them, whilst gold ingots of the same value could be stowed away in the pocket, and therefore would have to be guarded by armed men. The expense incurred in this and other ways fully counterbalances the saving which arises from inferior bulk or weight in transportation.

As to the alleged superiority of gold in handling sums of money suitable for the ordinary payments of commercial life, it is the merest moonshine. One would suppose, to hear this claim made, that such an institution as banking was unknown to the world, instead of being what is the fact, of seven hundred years' growth. Only the most narrow theorist will contend that the resumption of specie payments in this country will be followed by the extinction of banks. After resumption, banks will receive specie on deposit and issue bills in its place, and these bills will be used for payments from hand to hand just as similar bills were used before suspension. The only difference will be that, thanks to the superiority of the national over the old State bank systems, the bills will be better secured—indeed, we may say absolutely secured—provided, of course, that no relaxation is made of the admirable and sound conditions and principles upon which this system was founded; and of such relaxation we need entertain no fears.

In such case, and in all cases, we always have a perfect expedient to obviate the inconvenience of handling coins, that of depositing the coins with the Government, which shall issue therefor, dollar for dollar, bills to be declared by law receivable for all payments, public and private.

This project I need not elaborate at this time or in this connection. Its suggestion merely serves to show that in any event our money, whether of gold or silver, or both, as it should be, can always be made easy enough to handle through the medium of representative paper.

It should always be borne in mind that, as M. Cernuschi remarks, a bill of exchange (or bank-note) for silver does not weigh any more than one for gold.

#### THE SINGLE STANDARD COMMERCIALLY UNPROFITABLE.

If we look at the question from the national and not merely the plutocratic point of view, it will appear that every nation which demonetizes one of the metals and limits itself to the use of the other only punishes itself. It would leave more money to the other nations. Prices would fall in the former countries and rise in the latter. The former would have to sell their products to the latter at low prices and purchase back in high prices; just as China sells to us now at



low prices and buys from us at high ones. If instead of selling their products wherewith to pay for the products they purchased, the gold-standard nations sold their products wherewith to purchase the demonetized metal in which the prices of the other were rated, as for instance, if England purchased silver wherewith to pay for East India products, she would have to purchase such silver at the high prices of commodities which would prevail in India after the surplus stock of Europe were driven thither. In other words, the course of exchange would be against the gold-standard nations. For example, a pound sterling of exchange upon India would cost more than a pound sterling of gold in England. Arrange it as you will either, product against product, or product against exchange, the result will be the same. The nations with a limited stock of money would trade disadvantageously with nations having both the metals for their standard of value. This is the secret of the profitableness of the oriental trade. The oriental countries employ but one metal for their standard—silver. The occidental countries have hitherto employed both metals. Hence the low prices of the Orient and high prices of the Occident. As a measure between the labor of the two great divisions of the world, it has always been favorable to the Occident. This advantage it is now proposed to destroy. To call it madness would be but a mild stigma.

#### OUR MONEY SHOULD BE EN RAPPORT WITH THAT OF THE WORLD.

Having already shown that gold and silver was the money of the world—not gold or silver singly—it would seem hardly necessary to reply more specifically to an objection to the restoration of the double standard which some men suggest. That suggestion is, that unless we adopt the gold standard we shall not be *en rapport* with the standard of England, the country with which we transact the most commerce.

Those who suggest this objection do not appear to remember how foreign exchanges are conducted. Balances of trade are not paid in coin, but in bullion, and it makes no difference whether the bullion is of gold or silver or both. It goes for its value, whatever that may be at the time. Exchanges are adjusted by means of bills, which are rated in view of the standard of value in the several countries upon or through which the bills are drawn. Suppose our standard were of gold, and we had to pay for a balance of trade to China; we would not pay in gold coin, but in bullion, in gold not at its price in this country, but at its price in all countries. This would be determined by the course of exchange, which is the product of settlements between all commercial nations. So, if our standard were the double one of silver and gold, our balances with England would not be settled in gold and silver coin, but in bullion, at its price in all countries, as determined by the course of exchange. We would settle in bills of exchange, as we do now, as we always have done. So far as this objection goes, the discordance between the standards of two countries is of no consequence whatever. Discordance of standard is only material when it has the effect of locally demonetizing, for a greater or lesser duration of time, an important part of the world's stock of coin, and this can only happen when several important countries unite in demonetizing one of the metals. This is the case now. Silver is being driven to the Orient, and though, in spite of demonetization, it will find its way back in time, yet meanwhile the nations who unite in demonetizing it will needlessly produce a revolution in prices and the relations of the various classes of society, which may seriously affect the rank of such in the scale of civilization.

To render our standard of money *en rapport* with that of England, while it would not prove of the slightest convenience in commercial affairs, would tend to render our institutions of government *en rapport* with hers. If this is what gentlemen desire, they should say so openly, and not under the mask of a fancied commercial advantage. Their constituents will then be better able to appreciate their statesmanship.

#### GROWING INFLUENCE OF THE WORLD'S STOCK OF SPECIE.

There was a time when the world's stock of specie was so small that the slightest vicissitude in the supply of bullion from the mines was sufficient to cause violent fluctuations in prices and violent changes of fortune. The feudal system owes no little of its strength and permanence to this fact, for it was the only institution upon which the ruling classes, ecclesiastical and secular, could rely to secure to them their monopoly of wealth. When the feudal system, through many causes,\* began to lose strength, the mercantile system was adopted to serve the purpose of controlling the flow of specie from one country to another. At the present time the world's stock of specie is so great, that the vicissitudes of supply can have but little influence upon prices; and as that stock becomes larger and larger, the influence of the supply will become less and less. Another century may see society safely placed beyond the influence of these mutations.

Yet now, upon the threshold of a condition of affairs which must do more to equalize the fortunes of individuals and advance the progress of society than any other, it is proposed to destroy at one blow the work of countless centuries, by demonetizing one-half of the world's stock of specie, and the United States are asked to assist in this work of superlative madness and inhumanity. Such a proposition, which could only emanate from men crazed and arrogant with good fortune, is not merely an insult to the genius and institutions

\*The invention in of gunpowder, the introduction of bills of exchange, the discovery of America, and establishment of colonies with ample arable lands, &c.

of this country; it is a bold and direct attack upon progress, upon civilization, upon liberty. The men who have made it do not merely attack the prosperity of their own countries, they conspire to destroy humanity, they are traitors to society, they have urged a proposition of the most violent and revolutionary character.

#### NOBODY HURT BY RESTORING THE DOUBLE STANDARD.

I ask gentlemen to point me out one individual who can be injured by restoring the double standard, recoin the silver dollar of 371½ grains fine, and making it a legal tender for all amounts, as it was before. Point me out one man who would suffer by it. Point me out one product of the country which would be lessened in its gold price by restoring the silver dollar. Point me out one interest imperiled, one sacrifice sustained. On the other hand, I will point you out millions of men who will be ruined if you persist in retaining the gold standard; I will name a thousand products of the country which will continue to fall in price; I will show you a myriad of interests in jeopardy, and innumerable sacrifices to be sustained.

#### THE STOCK OF MONEY MAKES PRICES, AND THE COURSE OF PRICES AFFECTS CIVILIZATION.

Double the world's stock of money to-day, and you will double all prices. Diminish it one-half, and prices will fall one-half. This relation of money and price is axiomatic. You will find it in all the books on political economy. No writer has ever ventured to doubt it; not even Tooke, who doubted everything, even his own opinions.

Price is the expression of the measure of value, which is money. The larger the measure, the larger the expression or price; the smaller the measure, the smaller the expression or price. Hence, with a large stock of coin in the world, prices would be high; with a small stock prices would be low. To increase the stock of coin is to enhance prices, alleviate the burdens of the debtor class, and distribute wealth; to decrease it is to lower prices, increase the claims of the creditor class, and concentrate wealth. One result leads to social progress, the other to decay. Every dollar hewn out of the rocks, no matter whom it enriches in the first instance, has an immediate effect in alleviating the general condition of mankind. Every dollar worn out, lost, or demonetized by plutocratic legislation, tends to lower prices and concentrate wealth, tends to impoverish the needy and enrich the affluent.

The proposition to resume specie payments in this country on the gold standard is tantamount to demonetizing one-tenth of the world's stock of silver or one-twentieth of its entire stock of coin. When the long period which has been required to accumulate this stock is taken into consideration, it is not too much to say that this act will set us back in the command of some of the most important factors of civilization as much as a century of constitutional freedom has set us forward.

#### THE STANDARD OF VALUE IN VARIOUS COUNTRIES IN 1870.

The standard of value which existed in the various principal countries of the world in 1870 was as follows:

Country.	DOUBLE STANDARD.		Population.
United States*	.....	39,000,000	
France.....	.....	36,000,000	
Italy*.....	.....	36,000,000	
Spain.....	.....	17,000,000	
Belgium.....	.....	5,000,000	
Switzerland.....	.....	3,500,000	
Greece*.....	.....	1,500,000	
Peru.....	.....	4,000,000	
New Granada.....	.....	3,000,000	
Ecuador.....	.....	1,000,000	
SILVER STANDARD.			
India.....	.....	200,000,000	
China.....	.....	250,000,000	
Russia*.....	.....	82,000,000	
Germany.....	.....	41,000,000	
Austria*.....	.....	36,000,000	
Mexico.....	.....	9,000,000	
Sweden.....	.....	6,000,000	
Norway.....	.....	2,000,000	
Denmark.....	.....	2,000,000	
Holland.....	.....	4,000,000	
Central America.....	.....	2,500,000	
GOLD STANDARD.			
United Kingdom.....	.....	31,000,000	
Turkey*.....	.....	35,000,000	
Brazil.....	.....	10,000,000	
Portugal.....	.....	4,000,000	
Chili.....	.....	2,000,000	
Australia.....	.....	2,000,000	

\*Specie payments suspended.

#### AN INTERNATIONAL STANDARD CONVENTION.

It would be desirable for all nations to adopt permanently the same standard of value, and if the same were, as in my opinion it no doubt would be, the double standard, to adopt the same relation between the metals. To effect this object all that is necessary is an international standard convention, which can be called by any one of the great powers, and should be called by the United States. Provision should be made that no other projects but the standard and ratio should be determined upon, and that the nations should vote according to population or wealth, or on a mixed basis consisting of both. For such an international convention to be called by the United States there

is imminent necessity. I regard this project as likely to lead to results of the highest importance. It may become the forerunner of that federation of the nations of which poets have dreamed and bards have sung. The initial point of such a federation is most fitly the standard of value, for this lies at the base of all social and governmental arrangements; it determines the institution of property.

#### THE PECUNIARY INTEREST OF ENGLAND AND GERMANY IN THE GOLD STANDARD.

In a paper published in the *Journal of the Society of Arts* for March 10, 1876, Mr. Ernest Seyd estimates the amount of foreign debt (governmental, corporate, and other) held in England, Germany, and France as follows:

England, from	\$5,000,000,000 to \$5,500,000,000
Germany, from	2,750,000,000 to 3,000,000,000
France, from	2,500,000,000 to 2,750,000,000

Confining our view to England and Germany only, we shall see how great a present pecuniary interest these countries have in establishing and upholding a single gold standard. According to Mr. Seyd's estimates these two countries alone hold over \$8,000,000,000 of foreign debt. By limiting themselves to the single gold standard and endeavoring to influence other nations (our own among the number) to adopt it, they have already succeeded in producing a decline of about 7½ per cent. in the relation of gold and silver, this being the ratio of the difference between 15.63 and 16.69, the average relation of silver to gold in 1872 and 1875 respectively. Now, 7½ per cent. on \$8,000,000,000 amounts to no less a sum than \$600,000,000, which is the measure of the profit of the British and German plutocracy on the foreign debts they hold. Descending from the principal to the interest on these debts, if we estimate the average annual interest at 6 per cent. per annum, which is certainly within the mark, the difference to these plutocracies between obtaining their interest in gold and obtaining it in silver during the years 1872 and 1875 inclusive has been no less than \$36,000,000 per annum. Since the introduction of the demonetization act into the American Congress these gentry have gained \$108,000,000 by having their interest paid in gold instead of silver. The magnitude of this advantage, every dollar of which has been a clear and gratuitous loss to the debtor nations, is surely enough to account for the vehemence of the plutocratical objection to the double standard. With \$36,000,000 a year at stake, there is little wonder that they have succeeded in marshaling to their aid so imposing an array of advocates in the legislatures and the press of the victimized countries from which this extra and gratuitous tribute was drawn.

#### THE RIGHT TIME TO REHABILITATE THE SILVER DOLLAR.

The right time for us to rehabilitate the silver dollar, to restore the double standard, is not when the necessities of nations shall compel them, as it will compel them all, to go into the market for silver. A simultaneous demand from Germany and the United States alone would put that metal up to 15, perhaps for the time even to 14. The right time for us is now, while silver is temporarily cheap, and no other nation of the Occident is bidding for it. Last month silver stood at 17.82, and already it is up to 17.69. Before the year has expired it may stand 15.50. It is dangerous and costly to delay. The present time is therefore the most favorable one which may present itself. Let us not postpone reform until it is too late to accomplish it. European demonstration and an exceptional mine give us a great advantage. Why should we not use it?

#### PRACTICAL WORKING OF THE SINGLE STANDARD IN ENGLAND.

When an outflow of specie threatens to occur in England, the occurrence is sought to be averted and its effects mitigated by raising the rate of discount at bank. This action at once clogs all financial operations by rendering them expensive and difficult of accomplishment. Raising the rate of discount at bank is like putting the brakes on a railway train; lowering it is like taking the brakes off.

The Bank of England was established in 1694. From that year to the year 1816, a period of one hundred and twenty-two years, there were only sixteen changes in the bank rate. This rate never fell below 4 per cent., and (except in two instances to 6) never rose above 5 per cent. During this period the double standard existed in England. In 1816 the double was changed to the single gold standard. From 1816 to 1847, a period of thirty-one years, there were sixteen changes in the bank rate; as many as had occurred under the double standard during a period of one hundred and twenty-two years. But these changes, numerous as they were, compared with the few that had previously taken place, were few themselves compared with the number that took place after 1847, when the gold product of California began to make itself felt in the markets of the world. From 1847 to 1874, inclusive, a period of twenty-seven years, the number of changes in the Bank of England rate was no less than two hundred and twenty-three, and the rate fluctuated violently from 2½ to 10 per cent. per annum.

These fluctuations have been ascribed by various writers to various causes, but none of these causes appear to have had so potential an effect as the mutations of the gold production of the world, for these must have operated with peculiar and great force in a country which alone among all the great countries of the world had committed itself to so unstable a measure of values as gold.

#### PRACTICAL WORKING OF THE DOUBLE STANDARD IN FRANCE.

While I have not been able to obtain in time for the present purposes the statistics of the changes in the rate of discount by the Bank

of France, my general recollection on the subject enables me to say that these changes have been very few, and, except at certain critical financial junctures, they have been unimportant. In a word, the rate of discount charged by this great institution, which is second only to the Bank of England in the magnitude of its resources and operations, has been changed but seldom and slightly from the period of its foundation, in the year 1800, to the present day. Even at the financial junctures alluded to, I am unable to find any record of a higher rate than 6½ per cent., and this occurred during the suspension which followed the Franco-German war. This steadiness of the rate is attributable to the double standard.

#### THE BANK RATE REGULATES ALL COMMERCIAL OPERATIONS.

The rate of discount at bank not only regulates the outflow of specie; it also very powerfully affects all commercial transactions. It is the price at which money can be borrowed to carry domestic produce, to import and export merchandise abroad, to construct railways and other public improvements, to pay debts, meet maturing obligations, and the like. Every commercial speculation, every financial scheme, is influenced by its fluctuations. It is the merchant's inverse barometer, whose fall indicates prosperity, and whose rise points to bankruptcy and ruin; while its modifying influence acts like a breakwater to protect the country from the fierce currents of the financial ocean.

#### NO SUCH REGULATOR IN THE UNITED STATES.

In the United States there is no national bank *par excellence*, no great central institution whose operations govern those of all smaller ones and at once influence the course of trade. There has been no such institution in this country since 1837. The so-called "national banks" are private institutions, and national only to the extent that they are chartered by the Federal Government, and must conform to its regulations as to securities and circulation. They may each of them charge whatever rate of discount they please within the rate permitted by the laws of the State wherein they are situated. As the legal rate of interest differs in nearly all the States, and the banks are not combined under any single management, there is no uniformity in the rate of interest they charge, and it follows that, except so far as concerns the action of certain prominent banks in the leading financial cities of the country, there is no practical check which can be exerted to restrain or modify a threatened outflow of specie, or any other financial disaster or inconvenience.

#### THEREFORE THE UNITED STATES LESS ABLE THAN ENGLAND, FRANCE, OR GERMANY TO RUN THE RISKS OF A SINGLE STANDARD.

Hence for the United States to trust its commercial prosperity to the violent hazards of a single standard would be even more imprudent than it has proved in the case of England. That country, in its great national bank, possesses a "governor" upon whose action it can rely to break the force of sudden and great movements of specie. Even with this "governor," we have seen, in the fluctuations of the rate of interest, how violent these movements have been. France possesses a similar "governor;" so does Germany. The former country has never run the risk of trusting to it in this matter of abandoning the double standard, while the latter, during a contemplated change from the silver to the gold standard, has halted midway at the double standard.

Yet, although quite destitute of that great financial mechanism, even with the aid of which France and Germany hesitate to encounter the great peril which England has invited them to share with her, we of the United States are asked to adopt the single gold standard, and run the risk of immediate shipwreck. This may be sound advice; but I must confess it does not appear to come from people who have evinced any solicitude for the welfare of the country.

#### OPPOSITE AND UNEXPECTED EFFECTS OF THE FRENCH INDEMNITY.

As a consequence of the victory of Germany over France in 1870, the last-named country was compelled to pay to the first-named an indemnity amounting to the enormous sum of \$1,000,000,000. One would naturally have supposed that this indemnity would prove a heavy burden to France and a source of great prosperity to Germany; but, owing, as it seems to me, chiefly to the retention of the double standard in France and the attempt to establish the gold standard in Germany, these consequences have been reversed; the burden is upon Germany; the prosperity has fallen to the share of France. The presence of a large stock of silver coin in France enabled that country to raise the enormous indemnity fund from its own people, who offered the government five times as much as it asked for, and at a low rate of interest. This stock of silver would not have been found in the country but for the retention of the double standard of 1803. The rate at which it was loaned was so low that the country scarcely feels the burden, and its industrial activity has received no check.

Germany, on the other hand, no sooner received the indemnity than she unwisely attempted to follow the short-sighted footsteps of England, and changed her standard of silver to gold. What have been the consequences? Panic, interruption of industry, commercial stagnation, and popular distress. To this distress Germany, unlike England, cannot afford to turn a deaf ear, for the greatness of the former country depends upon its people, and not like the latter, upon its wealth. Already Germany hesitates, and she will soon be obliged to retrace her ill-advised steps. If she does not, it is quite safe to foretell that her



efforts to establish the gold standard will do more to alienate from her the affections of her heterogeneous populations than the land reforms of Stein and Hardenbergh had done to win them. If such a result as a change from the silver or the double standard to the gold one is the natural result of receiving a great war indemnity, it will be the better for Germany the next time she wins a victory to pay an indemnity rather than receive one.

#### LEGISLATION ON THE STANDARD OF THE UNITED STATES.

Table showing the various acts of the United States Government authorizing the coinage of silver and gold dollars, or their multiples or fractions, the weight of the same in pure metal, the extent to which the same were made legal tenders for the payment of debts, and the legal relation thus established between silver and gold. Also the London market relation of the metals at the period of the passage of such acts.

Act.	Coins.	Weight of dollar. (troy grains, pure).	Extent of legal tender.	Legal relation.	Approximate Lon- don market re- lation.
Apr. 2, 1792	{ Silver dollar..... Gold dollar, multiples of.	{ 371.25 24.75	{ Unlimited. Unlimited.	15.00000 to 1.	{ About 14.9 to 1
July 31, 1834	{ Silver dollar..... Gold dollar, multiples of.	{ 371.25 23.20	{ Unlimited. Unlimited.	16.00215 to 1.	{ About 15.8 to 1
July 18, 1837	{ Silver dollar and frac- tions of. Gold dollar, multiples of.	{ 371.25 23.25	{ Unlimited. Unlimited.	15.99537 to 1.	{ About 15.7 to 1
Feb. 24, 1853	{ Silver dollar..... Gold dollar and multi- ples of. Silver dollar, frac- tions of.	{ 371.25 23.25 345.60	{ Unlimited. Unlimited. Five dollars.	15.98837 to 1.	{ About 15.3 to 1
Act Feb. 12, 1873.	{ \$3516 Silver dollar..... \$3513 Silver dollar, fractions of.	{ ..... 347.25	{ Interdicted Five dollars.	.....	.....
Rev. Stat. § 3511	{ Silver "trade-dollar"..... Gold dollar and multi- ples of.	{ 378.00 23.25	{ \$5 dollars. Unlimited.	16.97907 to 1.	{ About 15.9 to 1

\* Eagles, half-eagles, and quarter-eagles.

† Half-dollars, quarters, dimes, and half-dimes.

‡ The act (February 12, 1873) prescribes the weight of the debased fractional silver coins in "grams," which another act (Revised Statutes, section 3570) defines to be 15.432 grains each.

§ The making of the trade-dollar a limited legal tender by section 3596 of the Revised Statutes is believed to have been unintentional.

#### THE VOICE OF AUTHORITY.

The voice of authority has ever been in favor of the double standard and opposed to the single. I have only time to quote some of the most eminent statesmen, economists, bankers, writers, and practical men on this subject.

Alexander Hamilton:

To annul the use of either of the metals as money is to abridge the quantity of circulating medium, and is liable to all the objections which arise from a comparison of the benefits of a full with the evils of a scanty circulation. (Report to Congress, 1791.)

Thomas Jefferson:

I return you the report on the mint. I concur with you that the unit must stand on both metals. (Letter to Hamilton, February, 1792.)

In his *Recherches sur l'or et sur l'argent*, 1843, Leon Fanchet said:

If all the nations of Europe adopted the system of Great Britain, the price of gold would be raised beyond measure, and we should see produced in Europe a result lamentable enough. The Government cannot decree that legal tender shall be only gold, in place of silver, for that would be to decree a revolution, and the most dangerous of all, because it would be a revolution leading to unknown results, (*qui marcherait vers l'inconnu*.)

In a memoir read before the French Institute in 1868, M. Wolowski said:

The suppression of silver would bring on a veritable revolution. Gold would augment in value with a rapid and constant progress, which would break the faith of contracts, and aggravate the situation of all debtors, including the nation. It would add at one stroke of the pen at least three milliards to the twelve milliards of the public debt.

Though the voices and votes of this great statesman and publicist, and of those who sided with him in the debates of the monetary convention of 1865, were overpowered, yet they still reverberate throughout the world; for truth and right cannot be suppressed.

A monetary commission appointed by the French government in 1869 took the testimony of practical financiers, who were unanimous against the proposed demonetization of silver. Before this commission M. le Baron Alphonse de Rothschild said:

The actual state of things, that is to say, the simultaneous employment of the two precious metals, is satisfactory and gives rise to no complaint. What is most needed in commerce is facility in its operations, and to-day it employs, according to its needs, sometimes gold and sometimes silver, and the partial replacement of silver by gold, which has taken place in these later times, has been effected without inconvenience.

They now demand that silver should be demonetized, as fifteen years ago they demanded that gold should be. The French government wisely refused to demonetize gold then, and it will be equally wise to refuse to demonetize silver now. In fact, whether gold or silver dominates for the time being, it is always true that the two metals concur together in forming the monetary circulation of the world, and it is the general mass of the two metals combined which serves as the measure of the value of things. In countries with the double standard the principal circulation will always be established of that metal which is the most abundant. It is scarcely twenty years ago that silver was the principal element in our transactions. Since the discoveries of the California and Australian mines, it is gold which has taken its place. No person can foresee what the future has in store for us, or can predict that the proportion in which the two metals are now produced may not be changed in favor of silver.

It appears to me that there are real advantages in maintaining silver in circulation and none in its suppression, since it is now actually a part of the circulation. I should regret the demonetization of silver in its relations to our internal circulation, our commercial intercourse with other countries, and the always uncertain possibilities of the future. But I should regret it even more if our example were followed by other nations, for that suppression of silver would amount to a veritable destruction of value without any compensation.

Without doubt, the two metals are not always in the same measure at our control; there is always one more abundant than the other; but neither of them has ever completely disappeared, and we have always been able to find the one of which we had need.

This is not the voice of plutocracy; it is the utterance of a great financial power whose self-interest is grand, enlightened, and in harmony with the other great interests of the world.

M. Rouland, the governor of the Bank of France, said:

We have not to do with ideal theories. The two moneys have actually coexisted since the origin of human society, without any disadvantage, and even with actual advantage in all countries which have availed themselves of them. They co-exist because the two together are necessary, by their quantity, to meet the needs of circulation. This necessity of the two metals, has it ceased to exist? Is it established that the quantity of actual and prospective gold is such that we can now renounce the use of silver without disaster? In place of the two moneys, is it entirely sure that the whole world can be usefully served with only one?

M. Wolowski said:

To adopt one metal, gold, to the exclusion of the other, it is not merely as if they closed all existing mines of silver, but as if they suppressed in this regard the labor of all past ages. The sum total of the precious metals is reckoned at fifty milliards,\* one-half gold and one-half silver. If, by a stroke of the pen, they suppress one of these metals in the monetary service, they double the demand for the other metal to the ruin of all debtors.

At the sitting of the French senate on the 28th of January, 1870, which has properly been characterized as "memorable," from the magnitude of the subject of the debate and from the dignity and gravity with which the discussion was maintained, Dumas, a senator, to whose words learning, experience, virtue, and age combined to give weight, invoked the body to pause before concluding to make a change which "would affect the whole human race." He said:

Those who approach these questions for the first time decide them at once. Those who study them with care hesitate. Those who are obliged practically to decide, doubt and stop, overwhelmed with the weight of the enormous responsibility.

The quantities of the precious metals which are now sufficient may become insufficient, and we should proceed with great prudence before we diminish that which constitutes a part of the riches of the human race. Sometimes gold takes the place of silver. Sometimes silver takes the place of gold. This keeps up the general equilibrium. Nobody can guarantee that the present vast production of gold will continue. The placers are found on the surface of the earth, and may be exhausted by the very facility of working them. Silver presents itself in the form of subterranean veins. Science may contribute to accelerate its extraction. In presence of the unknown, which dominates the future, we should practice a prudent reserve.

Henri Cernuschi, the eminent French political economist and author of *La Monnaie Bimetallique*, writes an article in the *Paris Siecle* on the depreciation of silver, urging England and America to adopt a double standard, and to fix the relative value of gold and silver at 154 to 1, the rate generally prevalent on the Continent. Dwelling especially on Anglo-Indian interests, M. Cernuschi says:

Seduced by gold "monometallism," Europe has ceased to coin silver, but it had long coined it previously, and colossal sums are in circulation. All this silver is to be called in and melted down, the more so as it circulates as a forced currency for a value it no longer possesses. All this silver is to be sold, and it is to London it will be sent to get gold. Floods of silver going up the Thames, floods of gold descending; scarcity and increasing value of the yellow metal, which is the only English currency, glut and depreciation of the white metal, which is the only Indian currency. The two conflicting "monometallisms" are about to face each other, the one suffering from anæmia, the other from plethora; two crises instead of one—a gold crisis and a silver crisis. From Galle to the Indies what a monetary shock; what a rise of prices produced by the invasion of silver! What increasing alterations in the value of all contracts and all engagements fixed in rupees! The most terrible monetary storm ever known, breaking out in a conquered country amid a population six times as large as that of the United Kingdom! Can England fold her arms? Can she say to trembling interests "Be patient; everything will end by finding its level?" The indifferent fatalism to which complacent ulamas may resign themselves is repugnant to the proud British Neptune. England will have resolution to eliminate the evil. To insure her welfare she will desire all that is possible, rational, and efficacious. If it is demonstrated that the international rehabilitation of silver is the real solution, England will not hesitate; she will convulse the nations to the congress of monetary peace.

R. H. Patterson, a distinguished political economist, says:

It appears evident, then, that the formidable objections which theorists make to the existence of a double standard of value in a country are unsupported by facts. They conjure up a vision of hydra, gorgon, and chimera dire for which we feel no apprehension. If a country has enough of gold or of silver to make its coinage entirely of that metal, good and well. But if not—as is the case in India—by all means let it employ both metals. The correctness of this opinion is abundantly shown in the case of France. In that most logical of countries the double standard has long been established, and no one there has any desire to abolish it. During the last

\*M. Wolowski here refers not to coin only, but to the precious metals in coin and plate, &c.

dozen years this double standard has been subjected to the severest test that could be applied, and yet every one is satisfied with its working. Gold is pouring in, silver is pouring out—a revolution is being effected in the currency of France; yet no one complains. Evidently practical or appreciable disadvantage of any kind is quite unknown. Theoretically, as we have shown, a double standard cannot do much harm; practically, we find it does none at all. And since it works under the most trying circumstances without the least injury in France, it may safely be introduced without any apprehension and with great advantage into India. (The Economy of Capital, London, 1864, page 59.)

ERNEST SEYD. This able and impartial writer has written several works on coin and bullion which evince a thorough knowledge of these difficult subjects. He says:

The rejection of silver as a standard of value would be a most unwise and dangerous proceeding. It would be a far better and safer course to establish the double gold and silver valuation. (Bullion and Foreign Exchanges, London, 1862.)

We think it can be shown that the gold valuation has been injurious to England's interests in her foreign trade as well as in her internal financial policy. (Ibid.)

Similar views are entertained in Mr. Seyd's latest essay, published in the Journal of the Society of Arts for March, 1876.

## CONCLUSION.

I have done. For the patience and attention with which Senators have listened to an exposition unusually lengthy and somewhat tedious, I thank them, and can only plead the transcendent importance of the subject.

There is yet time to undo the work of 1873, to correct the grave blunder perpetrated by the mint act of that year, in interdicting the American silver dollar and substituting the single standard of gold for the money of the Constitution. The disastrous effects which, in my opinion, are bound to flow from this attenuation of the standard and the basis of prices and credit are not yet felt because of the existing suspension of specie payments; but so soon as specie payments are resumed—if indeed they can ever be resumed without the restoration and co-ordination of silver in the standard—will the bad effects of this legislation develop themselves and make their mark upon the affairs of the country. It may then be too late to reform.

The present is therefore the acceptable time to undo the unwitting and inconsiderate work of 1873, and to render our legislation upon the subject of money consistent with the physical facts concerning the stock and supply of the precious metals throughout the world and conformable to the Constitution of the country.

We cannot, we dare not, avoid speedy action upon this subject. Not only do reason, justice, and authority unite in urging us to retrace our steps, but the organic law commands us to do so, and the presence of peril enjoins what the law commands. By idly interfering with the standard of the country, Congress has led the nation away from the realm of prosperity and thrust it beyond the boundaries of safety. To refuse to replace it upon its former vantage ground would be to incur a responsibility and deserve a reproach greater than that which men have ever before felt themselves able to bear.

## APPENDIX.

## MOVEMENT OF THE CURRENCY.

TABLE A.—Showing the currency of the United States from 1775 to 1875, inclusive. *Sum in millions of dollars and tenths.*

Year.	Coin.	United States and national bank notes.	State bank notes.	Total paper.	Total currency.	Population.	Currency, per capita.	Remarks.
1775	\$6.0	.....	.....	\$5.0	\$11.0	2.5	\$4.40	Lord Sheffield (Seybert, 554) says 9¢ coin.
1775-1781	.....	.....	.....	.....	.....	.....	.....	Era of "Continental money."
1790	16.0	\$2.0	\$1.0	3.0	19.0	3.0	4.87	Reputation of Continental money.
1791	16.0	.....	.....	9.0	25.0	4.0	6.25	First Bank United States.
1792	17.0	5.0	2.0	7.0	24.0	4.1	5.85	.....
1793	20.0	.....	.....	11.0	31.0	4.3	7.20	.....
1794	21.5	.....	.....	11.5	33.0	4.5	7.40	.....
1795	19.0	.....	.....	11.0	30.0	4.6	6.50	.....
1796	16.5	.....	.....	10.5	27.0	4.8	5.60	.....
1797	16.0	.....	.....	10.0	26.0	4.9	5.30	Suspension Bank England, flux of gold.
1798	14.0	.....	.....	9.0	23.0	5.0	4.60	.....
1799	17.0	.....	.....	10.0	27.0	5.2	5.20	Expiration of charter of first Bank United States.
1800	17.5	.....	.....	10.5	28.0	5.3	5.30	.....
1801	17.0	.....	.....	11.0	28.0	5.5	5.10	.....
1802	16.5	.....	.....	10.0	26.5	5.7	4.70	.....
1803	16.0	.....	.....	10.0	26.0	5.9	4.40	.....
1804	17.5	.....	.....	14.0	31.5	6.1	5.30	.....
1805	18.0	.....	.....	15.0	33.0	6.3	5.20	.....
1806	18.5	.....	.....	17.0	35.5	6.5	5.50	.....
1807	20.0	.....	.....	18.0	38.0	6.7	5.70	Embargo December 23 first steamboat.
1808	20.0	.....	.....	22.75	44.7	6.9	6.40	.....
1809	20.0	.....	.....	24.0	44.0	7.0	6.10	Specie drain; Mexican disturbances; stoppage of mines; suspension of New England banks.

TABLE A.—Showing the currency of the United States, &amp;c.—Continued.

Year.	Coin.	United States and national bank notes.	State bank notes.	Total paper.	Total currency.	Population.	Currency, per capita.	Remarks.
1810	19.0	.....	.....	\$26.0	\$45.0	7.1	\$6.10	Drain of specie.
1811	18.0	.....	.....	28.0	46.0	7.3	6.10	Apprehension of war (drain of specie.)
1812	17.0	.....	.....	35.0	52.0	7.6	6.80	War declared with England.
1813	17.0	.....	.....	52.0	69.0	7.8	8.80	War continued; bank mania.
1814	17.0	.....	.....	51.5	69.5	8.0	8.70	August and September all except New England banks suspended until January, 1817. Gold 114 to 120.
1815	20.0	.....	.....	45.5	65.5	8.2	8.00	February, peace. Gold 115 down to 102.
1816	24.5	.....	.....	50.0	74.5	8.4	8.80	Gold 116 to 117, 107; second Bank U. S.; England adopts the gold standard.
1817	*22.0	.....	.....	55.0	77.0	8.6	8.90	Partial resumption of Bank United States.
1818	*20.0	.....	.....	60.0	80.0	8.8	9.00	Height of bank mania; gold drain.
1819	*20.0	.....	.....	62.5	82.5	9.1	9.20	Revelation.
1820	*26.5	.....	.....	58.0	86.0	9.4	9.00	Resumption of Bank of England; continued efflux of gold from United States.
1821	*23.0	.....	.....	65.0	88.0	9.7	9.10	Spring stricture. (Tucker, p. 208, says 18 to 20 coin.)
1822	*18.0	.....	.....	70.0	88.0	10.0	8.80	.....
1823	*17.0	.....	.....	76.0	93.0	10.3	9.00	.....
1824	*18.0	.....	.....	78.0	96.0	10.6	9.10	.....
1825	*19.0	.....	.....	81.0	100.0	10.9	9.20	.....
1826	*20.0	.....	.....	80.0	100.0	11.1	9.00	Temporary bank panic.
1827	*22.5	.....	.....	75.0	97.5	11.5	8.50	Winter stricture.
1828	*27.0	.....	.....	68.0	95.0	11.9	8.00	First railway in U. S.
1829	*31.0	\$12.5	\$50.0	62.5	83.5	12.4	7.50	Temporary bank panics; President Jackson declares against rechartering United States Bank.
1830	*32.0	.....	.....	61.0	93.0	12.8	7.20	Report of Cong. Com. favoring bank.
1831	35.0	.....	.....	66.0	101.0	13.2	7.65	Bill introduced to recharter bank.
1832	39.0	.....	.....	71.0	110.0	13.6	8.10	Removal of deposits from bank.
1833	42.7	.....	.....	77.0	119.7	14.0	8.50	Veto of bank bill.
1834	60.0	.....	.....	90.0	150.0	14.4	10.40	Great fire in New York; loss, \$20,000,000.
1835	80.0	.....	.....	103.0	183.0	14.8	12.40	Expiration of charter second Bank United States.
1836	65.0	.....	.....	140.0	205.0	15.3	13.30	Great suspension.
1837	73.0	.....	.....	149.0	222.0	15.8	14.00	Universal insolvency; bankers' repudiation of Morris canal stock; general contraction; fall in prices; stay laws; bankruptcy laws; liquidation; riots.
1838	87.0	.....	.....	116.0	203.0	16.2	12.50	Reputation of the States.
1839	87.0	.....	.....	135.0	222.0	16.7	13.40	Lowest depression; resumption.
1840	83.0	.....	.....	107.0	190.0	17.0	11.20	.....
1841	80.0	.....	.....	107.0	187.0	17.5	10.70	.....
1842	60.0	.....	.....	83.7	143.7	18.0	8.00	.....
1843	70.0	.....	.....	58.5	128.5	18.6	6.90	.....
1844	100.0	.....	.....	75.0	175.0	19.2	9.10	.....
1845	96.0	.....	.....	90.0	186.0	19.8	9.40	.....
1846	97.0	.....	.....	105.5	202.5	20.4	9.90	.....
1847	120.0	.....	.....	105.5	225.5	21.0	10.70	.....
1848	112.0	.....	.....	128.5	240.5	21.6	11.10	California mines opened.
1849	120.0	.....	.....	114.7	234.7	22.4	10.50	.....
1850	154.0	.....	.....	131.0	285.0	23.2	12.30	.....
1851	186.0	.....	.....	155.0	341.0	24.0	14.20	.....
1852	204.0	.....	.....	156.0	360.0	24.8	14.50	.....
1853	236.0	.....	.....	144.0	380.0	25.6	14.80	.....
1854	240.0	.....	.....	178.6	418.6	26.4	15.80	Australian mines.
1855	257.6	.....	.....	187.0	444.6	27.1	16.40	.....
1856	250.2	.....	.....	196.0	446.2	27.7	16.10	.....
1857	250.3	.....	.....	215.0	474.3	28.4	16.70	Temporary panic; suspension.
1858	251.6	.....	.....	155.0	406.6	29.1	14.00	Resumption.
1859	265.8	.....	.....	193.0	458.8	29.7	15.40	.....
1860	257.0	.....	.....	207.0	457.0	31.5	14.50	.....
1861	241.4	.....	.....	202.0	443.4	32.3	13.70	Civil war; demand notes issued.
1862	208.5	.....	.....	184.0	422.5	32.9	21.00	Suspension; greenbacks issued.
1863	100.0	\$411.0	\$161.0	572.0	672.0	34.5	27.40	Circulation of State banks supplanted by national banks.
1864	06.0	512.0	140.0	653.0	743.0	36.1	28.50	National bank notes; highest inflation. Gold 225.
1865	85.0	604.0	65.0	669.0	754.0	36.3	24.90	Fence; gradual contraction.
1866	100.0	713.0	37.0	750.0	850.0	*36.0	23.60	Rehabilitation of the South.
1867	140.0	704.0	nom.	704.0	844.0	*37.0	22.80	Extinction of State bank circulation.
1868	140.0	699.0	nom.	699.0	839.0	*38.0	22.80	Contraction continues slowly.
1869	140.0	692.0	nom.	692.0	832.0	120.1	21.20	Contraction continues slowly.
1870	132.8	704.0	nom.	704.0	856.4	28.6	22.20	.....
1871	136.7	723.7	nom.	723.7	860.4	30.6	21.70	Great Chicago fire; loss \$150,000,000.



TABLE A.—Showing the currency of the United States, &amp;c.—Continued.

Year.	Coin.	United States and national bank notes.	State bank notes.	Total paper.	Total currency.	Population.	Currency, per capita.	Remarks.
1873	\$128.1	\$741.4	nom.	\$741.4	\$869.5	40.6	\$21.40	Great Boston fire; loss \$50,000,000.
Jan. '73	130.0	752.0	nom.	752.0	882.0	41.7	21.10	Silver demonetized; panic; \$20,000,000 State bank clearing-house certificates and \$10,000,000 Treasury reserves issued as currency; gold imported.
Oct. '73	140.0	762.0	\$20.0	782.0	922.0	41.7	22.10	Contraction continued.
1874	140.0	761.1	nom.	761.1	901.1	42.9	21.00	Contraction continued.
1875	142.0	736.3	nom.	736.3	878.3	44.1	19.00	Contraction continued.

\* In these years the coin was all of silver; no gold. (Report of Mr. White, H. Rep. 21st Cong., 2d sess., No. 95.) In the year 1830 coins in bank \$15,000,000, silver in circulation \$3,000,000, bank notes \$77,000,000; total \$100,000,000. (Senate Rep., 21st Cong., 2d sess., Dec. 5, 1830, by Mr. Sanford, from Select Com. on Cur.)

\* According to censuses taken in 1866, 1867, and 1868, by the Bureau of Statistics, through the Internal Revenue organization. The census of 1870 shows a smaller population than that of 1860, but the discrepancy is attributed to the different means and methods adopted to effect the enumerations. The figures subsequent to 1870 are based upon the census of that year.

† Estimates based on census of 1868.

## FAILURES IN BUSINESS.

The following table (B) is from the Mercantile Agency Reports, and shows that the number of failures in business in all the States of the Union has closely followed the movement of the currency:

Years.	Movement of currency.	Failures.
1859	Increasing	3,913
1860	Increasing	3,673
1861	Decreasing	6,393
1862	Increasing	1,652
1863	Increasing	465
1868	Decreasing	2,678
1869	Decreasing	2,799
1870	Decreasing	3,551
1871	Decreasing	2,915
1872	Decreasing	4,060
1873	Decreasing	5,183
1874	Decreasing	5,830
1875	Decreasing	7,740

There were but few failures during the rapid increment of the currency from 1862 to 1866. Since that period the number of failures has steadily and largely increased, until now it is 7,740 per annum, and during the first three months of 1876 it was 2,806, or at the rate of 11,224 per annum.

The failures in New York City, taken by itself, were as follows: 1871, 324; 1872, 385; 1873, 644; 1874, 645; 1875, 951; and during the first three months of 1876, 313.

TABLE C.—Fires in New York City.

Period.	No. of years in period.	Currency during the period.	Average annual No. fires.
1856-1860	5	Increasing	653
1861	1	Decreasing	837
1862-1866	5	Increasing	730
1867	1	Decreasing	1,012
1868	1	Decreasing	912
1869	1	Decreasing	914
1870	1	Decreasing	867
1871	1	Decreasing	916
1872	1	Decreasing	922
1873	1	Decreasing	1,017
1874	1	Decreasing	841
1875	1	Decreasing	1,093
Annual average, 1867 to 1875, inclusive			944

The number of these fires which were of incendiary origin are only given for the years 1855 to 1860, inclusive. They were as follows: 1855, 159; 1856, 100; 1857, 87; 1858, 90; 1859, 63; 1860, 110. The ratio of incendiary to total fires during this period was about 30 per cent. According to the New York Insurance reports it is believed to be now over 50 per cent.

## MARRIAGES.

The correspondence between marriages and the price of bread-corn was shown statistically some forty years ago by the illustrious Quetelet. The following table shows the correspondence between marriages and the movement of the currency. Ohio is one of the few States of the Union in which social statistics are compiled under official authority:

TABLE D.—Showing the number of marriages in Ohio.

Year.	Movement of currency.	Marriages.
1859	Increasing	22,671
1860	Perturbation	23,106
1861	Decreasing	22,251
1862	Increasing	19,540
1863	Increasing	19,300
1864	Increasing	20,881
1865	Increasing	22,108
1866	Increasing	30,479
1867	Decreasing	29,230
1868	Decreasing	24,231
1869	Decreasing	23,910
1870	Decreasing	23,459
1871	Decreasing	24,627
1872	Decreasing	26,323
1873	Decreasing	26,460
1874	Decreasing	26,678
1875	Decreasing	27,947

The population of the State of Ohio was, in 1850, 1,980,329; in 1860, 2,339,511; and in 1870, 2,665,260.

The decrease of marriages accompanying the diminution of currency which has gone on since 1866 is complemented by a corresponding increase of divorces.

## DIVORCES.

TABLE E.—Showing the number of divorces in Ohio.

Year.	Currency.	Divorces.
1866-1869, (average three years)	Decreasing	1,003
1870	Decreasing	1,008
1871	Decreasing	1,077
1872	Decreasing	1,025
1873	Decreasing	1,124
1874	Decreasing	1,159
1875	Decreasing	1,229

The above evidences of "hard times" are supplemented by the statistics of desperate and criminal acts, all of which have constantly diminished while the currency of the country was increasing, and increased while the currency was decreasing.

## HOMICIDES AND SUICIDES.

Table F.—Showing the number of inquests held upon homicides and suicides in Ohio.

Period.	Currency.	Homicides and suicides.
1858-1860, (average 3 years)	Increasing	144
1861	Decreasing	190
1862-1865, (average 4 years)	Increasing	162
1866-1869, (average 4 years)	Decreasing	182
1870	Decreasing	198
1871	Decreasing	211
1872	Decreasing	206
1873	Decreasing	219
1874	Decreasing	261
1875	Decreasing	261

## SUICIDES.

TABLE G.—Showing the suicides in the city of New York.

Year.	Currency.	Suicides.
1866	Decreasing	58
1867	Decreasing	76
1868	Decreasing	98
1869	Decreasing	101
1870	Decreasing	114
1871	Decreasing	144
1872	Decreasing	118
1873	Decreasing	157
1874	Decreasing	157
1875	Decreasing	157

TABLE II.—Showing the suicides in the city of Philadelphia.

Year.	Suicides.	Average.	Currency.
1860		20	Perturbation.
1861		31	Decreasing.
1862	14		Increasing.
1863	24		Increasing.
1864	21	22	Increasing.
1865	31		Increasing.
1866	44		Decreasing.
1867	35		Decreasing.
1868	29		Decreasing.
1869	45	38	Decreasing.
1870	23		Decreasing.
1871	41		Decreasing.
1872	48		Decreasing.
1873		47	Decreasing.
1874		59	Decreasing.
1875		68	Decreasing.

## PRISONERS.

TABLE I.—Showing the number of persons in prison in all the United States in June of each of the years 1850, 1860, and 1870, such being the periods at which the last three decennial censuses were taken.

Period.	Movement of currency.	Population.	Persons in prison.
1850	Increasing	23,191,876	6,737
1860	Perturbation	31,443,393	19,086
1870	Decreasing	38,558,371	32,904

## Transfer of the Indian Bureau.

## SPEECH OF HON. ANSEL T. WALLING,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

April 21, 1876,

On the bill (H. R. No. 2677) to transfer the Bureau of Indian Affairs from the Interior to the War Department.

Mr. WALLING. Mr. Speaker, I feel, sir, that I cannot let this discussion close on the bill to transfer the Indian Bureau to the War Department without giving to the House and, through its records, to the people of the district I have the honor to represent on this floor, and to the country, the reasons that are conclusive to my mind why the bill should not pass and the transfer be not made.

Living, as I do, in a city whose spires overlook the once location of three at least of the historic villages of the red man—and that within the recollection of the living—who occupied the lands of a valley that was not surpassed in fertility in all our proud domain for supplying their few and simple wants, when added to the rewards of the chase—where the river which flows through its alluvial borders ever carries in its name the remembrance of the native proprietors of the soil; where with the ever-recurring season the plow still brings to the surface the relics alike of their semi-civilization and their progress in the arts of war; almost within sight of the "Logan elm," under the shade of which Logan, the friend of the white man, the chief of the proudest tribe of his nation, his wives, children, and family, every one murdered in cold blood upon a trivial provocation by the military commander, in giving assent to a treaty which forced the remnant of the tribes under his control from the grounds of their fathers and the homes of their childhood, in his utter desolation and despair gave vent to his reproaches in the memorable language preserved by Jefferson, and which justly smote the unfeeling conscience of the age:

I appeal to any white man to say if ever he entered Logan's cabin hungry and he gave him not meat; if ever he came cold and naked and he clothed him not. During the course of the last long and bloody war Logan remained idle in his cabin, an advocate for peace. Such was my love for the whites that my countrymen pointed as they passed and said "Logan is the friend of white men." I had even thought to have lived with you but for the injuries of one man. Colonel Cresap, the last spring, in cold blood and unprovoked, murdered all the relatives of Logan, not even sparing my women and children.

Knowing, Mr. Speaker, that the military Cresaps still exist and have come down to us of the present day under other names, as the records of the times too abundantly prove, it seemed to me my voice as well as my vote should be heard in remonstrance against the measure, though I am compelled reluctantly to disagree with the majority of the Committee on Indian Affairs, and with some other of my political friends on this floor.

To my mind the discussion of the merits of the bill naturally and necessarily divides itself into three propositions:

1. That it is in spirit, if not in letter, in contravention of the fair intentment, if not the text, of our treaty stipulations with this unfortunate and helpless, because defenseless, race.

2. That it is a violation of our duties as trustees of a self-imposed trust, created without the consent, and against the wishes of the beneficiaries of the trust.

3. That the Army, by education, organization, and example wherever exercising civil powers of government, is not well fitted for the charitable duties sought to be imposed upon it by the bill under consideration.

Notwithstanding the very considerable debate thus far, both favorable and adverse to this bill, I fear that its discussion does not awaken that general interest here that almost any other subject would excite. The race of people whose welfare is involved do not make up a great, powerful, and popular constituency directly represented on this floor. The twelfth article, however, of the earliest Indian treaty under the Constitution, concluded in 1785, stipulated, in order "that the Indians may have full confidence in the justice of the United States respecting their interests, they shall have the right to send a deputy of their choice whenever they think fit to Congress." That right was never conceded them, and their interests seem to have been guarded by "deputy," and by representative, with an eye more single to the amount of money to be made, or saved, to the Government, than to the welfare of the Indians.

In considering the propositions which I have stated adverse to the bill, it ought not to be ignored that the Indian race, at the time of our original settlements on the Atlantic coast, were the sole possessors of the soil by absolute title and occupation of the whole of the territory of the United States. Then the smoke of their wigwams and council-fires rose in every valley and upon every mountain-side from the East to the West and from either ocean to the Mississippi and the lakes. Yet to-day how small a proportion of the American people can say they have ever seen even one of this remarkable race! Everywhere at our approach they have been seen to fade and disappear like the withered leaves of the forest before the autumn gale.

We were permitted to make a first settlement, to gain a foothold, only through their friendliness and forbearance, since which time, by solemn and formal treaties—treaties so called—which have now come to be illusory paper contracts merely, tendered them by the left hand for their acceptance, while in the right hand was held the sword to exterminate them if they refused, they have been driven onward, step by step, and year by year, and alternately by means of the last resort and arbitrament of rapacious power, from the kindly shores of the East, where they once dried their nets in peace, to perish at the sterile base of the Rocky Mountains. And by the reflex wave of American civilization they are likewise driven from the Pacific coast to pitch their tents on the barren slopes of the Sierras, at last to be "cabin'd, cribb'd, confin'd" in that inhospitable region between the two. And even there they find neither security nor protection. The cupidity of the dominant race has honey-combed that auriferous region for its precious metals; has "hunted, sweat, and bled for gold;" has seized upon all the arable lands by Mexican title or subsidy, and finally reaches this Hall the anxious advocate of this bill. For what? That the temptation and occasion for revenge, which may be forced on the Indian, will lead him eventually to overt acts and thus furnish a pretext for a final war of extermination against him by the Army.

No treaty, from the earliest in colonial history, has contained a provision admitting such transfer, and where stipulations are not to the contrary they, by fair intendment, are to that effect. In each treaty, from that made by the good Roger Williams, a fugitive from the religious intolerance of the Massachusetts colony, with the Indians of the Providence Plantations, in addition to the immediate consideration of the cession, was the further consideration that the Government was to protect and assist them in the arts and ways of peace, to instruct and educate them, and so far as possible extend the blessings of civil government among them. There are three hundred and seventy Indian treaties remaining in force now on the statute-books of the United States. From that of the Cherokees, in 1792, stipulating that "there shall be perpetual peace and friendship between all the citizens of the United States of America and all the individuals composing the whole Cherokee Nation of Indians," down to the last one, ratified the 24th of February, 1869, with the different tribes of the Sioux, by the peace commissioners of 1868, which stipulated "from this day forward all war between the parties to this agreement shall forever cease, and the Government of the United States desires peace, and its honor is hereby pledged to keep it," down the long line of a hundred years, the national promise of peace and protection to the Indians has been the same.

And is it to be supposed that had the various tribes with which these treaties were made not fairly understood that they were in no event to be turned over to their native antipathy and aversion, the military power, they would have consented voluntarily to relinquish their lands to become wanderers on the barren wastes they received in exchange for them?

These existing treaties are a code of laws establishing the rights and obligations between the Government and the Indians. By them numerous reservations have been set apart to individuals and tribes, with provisions as to time and manner of adjustment of title and possession, as well as provisions for money, varying in time and manner of payment; some for funding on long time, some for all time, some for holding bonds of the United States in trust, some for the bonds of States and other special securities, which have depreciated or are wholly worthless to the tribes for whom they are held. Numer-



ous treaties provide for the payment in kind, in farm implements, cattle, grain, salt, and other commodities, perishable or to be consumed. Others are for clothing, for the education of children in limited numbers, and for stated periods; for building houses, locating agencies, and for traders, teachers, carpenters, blacksmiths, and farmers.

All of the treaties relinquish, cede, or convey, extensive and valuable lands to the United States at nominal prices, for which these obligations and promises of the Government are the only consideration. Are the soldiers the best agents to discharge these obligations? All of these treaties provide for the protection by the United States of the persons and property of the Indians from the intrusion of whites and from hostile bands and tribes. Some treaties confer a title in fee to land exchanged and sold to Indians, others with less title, and still others grant a reservation only. But in all these treaties the United States have fully recognized the power and the right of the Indians, and the validity of the contracts, by grasping their part of the proceeds—proceeds from which Territories have been created, States have been erected, continental railways have been built, thousands of millions have been paid into the Treasury, and the dominion of the United States has been extended to the farther sea.

The Government ought not to do less than continue to carry out these treaties in good faith. "For," in the language of the Supreme Court in *Fletcher vs. Peck*, "the Government to pronounce its own deed invalid, whatever may be assigned for its invalidity, must be considered as a mere act of power, which must find its vindication in a train of reasoning not often heard in courts of justice."

Mr. Speaker, ought we to regard the Indian as one of the opposing forces only in the pathway of modern civilization, to be swept away without regard to his rights and with a deaf ear to his demands for redress of his grievances? Ought we to advance so swiftly as to involve his final ruin and utter extermination? Is he to have no standing-place that shall impede or delay the rapid strides of western enterprise toward a complete occupation of the whole American continent? Shall civilization outrun justice, instead of waiting hand in hand upon her patient steps?

I maintain that the frame-work of the truest civilization is based upon the principles of eternal justice, the object of which is to confer the benefits and blessings of civilized life upon all within its reach. That civilization which brings peace, liberty, and enduring fame is the one which gathers up, absorbs, and cares for the untutored, the ignorant, the oppressed, and even the savage, and which brings to all the poor and lowly classes the charms of a Christian life.

I believe this is the kind and degree of civilization which is to mark anew the present era; at least I am certain it is that only which duty urges us to foster and to propagate. I believe that public opinion in the near future will compel all of us to admit the fact that the North American Indian under the influence of proper treatment will not only be improved by our efforts to bring him to a higher civilization, but will rejoice in its acceptance. This almost boundless continent is broad enough to afford homes for the native as well as the foreign races. Why, then, should the American race be driven from the forests which for a thousand years have sheltered it, and from the valleys, lakes, and rivers which for centuries have given it food? There ought not to be a possible doubt on this question. If the Caucasian and the Ethiopian can sit down together in this House, men and brethren, why shall not the native American have a chance? Justice and fair-dealing will ultimately convince all of us that the Indian is not an exception to the decree that there were made "of one blood all nations of men for to dwell on all the face of the earth." The harmonization of races on this continent has been so rapid and their progress so great as to lend significance and verity to the prophetic declaration.

Mr. Speaker, I think these considerations which I have briefly presented ought to convince the unprejudiced mind that it is the duty of this Government to fulfill its treaty obligations strictly, and discharge its trust to the Indians agreeably to the spirit and intent of those treaties. If it is true that history is philosophy teaching by example, we are to judge of the policy of the past by the results and conditions of the present, and draw from thence the rule and economy which ought to guide us in the future.

I shall assume for my present purpose what has been hitherto admitted, that from the year 1666 down to 1866 there was a constant diminution of the Indian tribes, amounting to an average yearly decline over the increase of 10,000 souls. The total estimate two centuries ago was two and a quarter millions within the present limits of the territory of the United States, excluding Alaska. The number now remaining, according to the best authority within my observation, does not exceed 250,000. I submit the following estimate from the Indian Office, showing the population of tribes residing on reservations over which the Government exercises more or less official intercourse and control. This table shows the number of Indians to be 244,217, but does not include the roving bands which make their habitations in the ranges of the Sierras and the Rocky Mountains; nor does it include those of Alaska, the whole of which may be estimated at 50,000. These are wholly wild Indians over which the Government has neither intercourse nor control. The total general estimate has been as high as 300,000, but a considerable reduction may well be made for those not actually known and counted. A census of sixty-six tribes within the limits of Utah, Nevada, Arizona, California, and Idaho, in 1874, by Major Powell, where it was supposed

there were 30,000, shows that there were actually found but 10,437; so that with this recent evidence 250,000 is a large estimate for all the Indians in the United States.

Table showing the population of Indian tribes residing on reservations.

States or Territories.	Population.	Area.	
		Sq. miles.	Acres.
Washington .....	14,192	6,460.65	4,134,695.38
Oregon .....	7,730	9,788.00	6,264,320.00
California .....	2,799	111.50	71,363.00
Arizona .....	6,970	8,822.00	5,646,080.00
Nevada .....	6,000	4,025.00	2,578,000.00
Utah .....	4,800	3,186.00	2,039,040.00
New Mexico .....	14,948	7,237.00	4,631,664.00
Colorado .....	5,000	23,100.00	14,784,000.00
Dakota .....	34,867	57,450.00	36,768,000.00
Idaho .....	4,984	5,010.00	3,206,400.00
Montana .....	33,135	52,704.00	33,858,600.00
Wyoming .....	2,900	4,260.00	2,688,000.00
Nebraska .....	6,598	1,402.92	897,871.58
Kansas .....	972	561.04	371,865.39
Indian Territory .....	71,150	68,991.00	44,154,240.00
Minnesota .....	7,803	8,976.92	5,745,233.07
Wisconsin .....	6,045	938.26	600,489.36
Michigan .....	9,164	1,291.00	781,905.00
New York .....	5,070	139.90	89,537.00
Total .....	244,217	264,345.19	159,309,304.08

The allotment of land to these Indians on the various reservations amounts to seven hundred and twenty-nine acres *per capita*, which is more than sufficient in quantity, but is of little practical use without cultivation and improvement in the arts of husbandry. The proceeds of the sales of their unrequired lands ought to be applied to their education and further civilization. As to their present condition, I find that 100,000 of them are considered to be civilized, the same number have made large progress toward civilization, and the remainder are but semi-barbarous. One hundred and thirty thousand support themselves upon their reservations, receiving nothing from the Government except interest upon annuities, the proceeds of lands ceded to the United States. Thirty thousand are wholly, and 80,000 in part, are subsisted by the Government. Those who gain their subsistence by hunting and fishing, and from roots, nuts, berries, wild food, and grasshoppers, number from forty to fifty thousand. There are 150,000 Indians who remain constantly on their reservations under complete control of their agents, and obey the regulations and orders of the Government; 90,000 who hold terms and intercourse with their agents, visiting frequently for food and council, but are generally roaming and hunting on or off their reservations. And there are supposed to be 50,000 remaining who never visit any agency and who are still uncontrolled and uninfluenced by the Government. They are for the most part peaceful and quiet, and commit but few acts of hostility against the whites.

Of the whole number of Indians 180,000 have treaties with the Government; 40,000 have none, but reservations are set apart for their occupancy, and agents appointed to look after them. Twenty-five thousand have no reservations, but still are in charge of agents appointed for them, and receive more or less assistance from the Government.

The annual expense of the Indians and the Indian Office is upward of \$5,000,000, but at least two-fifths of that amount is in accordance with stipulations of treaties which provide for the payment and the appropriation.

It has been said that the recent rapid increase of this expenditure arose from the greed and avarice of the combination known as the Indian ring, and that much of it has been diverted from its true appropriation and has been unfaithfully disbursed. That there has been gross speculation and unfaithful administration in these affairs there is reason to fear. But that responsibility does not rest with this House, and I take none of it upon myself. I have faith that the Indian Committee will to the furthest extent of their patience and ingenuity investigate the subject and expose to the country the full volume and depth of the frauds against the Treasury, the impositions against the Indians, and the unlawful profits of the ring. Confessing in sadness that such is the fact, sorrowing that public officers of the Government should be willing to betray so sacred a trust, nevertheless I have yet confidence in that ever-changing, amending, expelling, and restoring principle, reform. Even now there is hope of it.

My friend, the Representative of the first district of Kentucky, who urges this transfer to be made, and whose argument in favor of the bill was so persuasive as to go far toward the fatal accomplishment, expresses the opinion that "the present Commissioner at the Indian Office is an honorable exception to the rule, and that there is reason to believe that he is an honest man." The country will be glad to hear and believe this evidence. I am glad to believe it, for the sullied honor and purity of my own State is involved in the imputed transactions of the Indian ring. I would investigate those transactions on all sides and leave no dark place and no corner concealed. The American name has been aspersed, and republican honor has been hawked at with grave and offensive charges in almost every

department of the public service. These things have been spread before the world. Let the world know the truth and know who the guilty persons are, no matter at what public cost or what private inconvenience. The people require this. An imperative demand for honest government is heard all over the land. Public opinion has with significant unanimity sustained those who insisted upon a thorough investigation of the abuses of the Government, to the end that they shall not only be made to cease, but become impossible hereafter.

But this question does not necessarily enter into this debate. For myself, I am not prepared to admit that officers and agents from civil life, not educated at the Military Academy, are less faithful or capable in civil administration than those of the regular Army. But I am unwilling to keep back part of the truth: that the treaties of General Sherman and the peace commissioners of 1868—the last treaties made, and the last to be made, under the present policy of the Government with the various bands of the Sioux Nation, with the Utes, Kiowas, Comanches, Cheyennes, Arapahoes, Crows, Navajoes, Blackfeet, Shoshones, Bannacks, Sheepstealers, and other Indians of the plains, which ended the Indian wars of that period, extinguished the Indian titles and reclaimed and populated the Territories of Dakota, Wyoming, Montana, Idaho, Utah, Arizona, and New Mexico—imposed an additional expenditure of \$3,000,000. The policy of entering into these treaties was the policy of the United States at the time. Neither this House nor the democratic party of the country is responsible for it. But it is now too late to complain of the expense and keep the treaty at the same time; and I am for preserving inviolate the deliberate written contracts and pledged faith of the Government to the Indians. Since these treaties were made comparative peace has prevailed among those tribes, where before there was continued war, and at least two of the Territories have prepared to become States. As a measure of economy, as well as safety, I cannot therefore complain of the treaties of the peace commissioners of 1868.

Of the two alternatives, to purchase peace by the treaties or to pay for an Indian war, it may well be claimed that the Government chose the cheapest and the best. For, from the well-known character and history of the Indian, we may be sure that, driven to desperation through want and starvation, he will not tamely submit to his fate, but will strike his fiercest blows, at the cost of hundreds of lives of the settlers and pioneers within his reach. And a war of this kind, as it has been found in all the past, is still a costly experiment.

Our duty seems to be twofold: First, to protect the white settler; secondly, to do justice to the Indian, and by doing him justice, in a spirit of kindness, advance him in civilization. As he cannot be driven any farther west, nor to any new point, and as removal is an exhausted resource, and of no further advantage to the Government, these duties must be performed by locating the Indians on reservations, making allotments of land, and surrounding those reservations with white men and white settlements.

Other nations have had success in this experiment; and as the fruit of the Spanish peace policy, the Pueblo tribe of New Mexico is to-day one of the most industrious and civilized tribes on this continent. But we have achieved equal results ourselves. The Cherokees, Choctaws, Chickasaws, Creeks, and Seminoles are each a civilized and Christian people. They have just and equal laws and a literature. They have schools and academies of learning. They lack no element of Christian civilization, and they possess the comforts, wealth, and refinements of modern American life. They lack only the power to enforce their just rights against this Government, which have never been fairly awarded to them.

I am satisfied that the true solution of the vexed Indian question lies in justice, kindness, and Christian brotherhood to these people. If this be the best policy, leaving out of consideration the missionary duties which philanthropy has so long and patiently assumed and discharged, the question remains, what is the best means to produce this result?

That is the question of this bill. In my judgment, if the true policy is peace and civilization, as I believe it to be, the Indian should be wholly under the management of the civil department of the Government. But if, on the other hand, you are determined on a further war of extermination, this bill should pass, and the guardianship of this race should go to that Department organized for war. For this there is some authority, some examples in history, and some credible testimony. The peace commission, under the act of July 20, 1867, which made the expensive treaties of 1868 with the Sioux and other tribes, embraced military officers of a high rank, at the head of which was the present General of the Army, a man of distinguished fame and capability both in military and in civil affairs. On the 7th of January, 1868, that commission submitted its report to the President, which is comprised in Executive Document No. 97, House of Representatives, second session of the Fortieth Congress. On pages 20 and 21 I find the following expression of opinion on this subject.

2. This brings us to consider the much-mooted question whether the Bureau should belong to the civil or military department of the Government. To determine this properly we must first know what is to be the future treatment of the Indians. If we intend to have war with them, the Bureau should go to the Secretary of War. If we intend to have peace, it should be in the civil department. In our judgment, such wars are wholly unnecessary, and hoping that the Government and the country will agree with us we cannot now advise the change. It is possible, however, that, despite our efforts to maintain peace, war may be forced on us by some tribe or tribes of Indians. In the event of such occurrence it may be well to provide, in the revision of the intercourse laws or elsewhere, at what time the civil jurisdiction shall cease and the military jurisdiction begin. If thought

advisable, also, Congress may authorize the President to turn over to the military the exclusive control of such tribes as may be continually hostile or unmanageable. Under the plan which we have suggested the chief duties of the Bureau will be to educate and instruct in the peaceful arts; in other words, to civilize the Indians. The military arm of the Government is not the most admirably adapted to discharge duties of this character. We have the highest possible appreciation of the officers of the Army and fully recognize their professional integrity and honor, but we are satisfied that not one in a thousand would like to teach Indian children to read and write or Indian men to sow and reap. These are emphatically civil, and not military, occupations. But it is insisted that the present Indian service is corrupt, and this change should be made to get rid of the dishonest. That there are many bad men connected with the service cannot be denied. The records are abundant to show that agents have pocketed the funds appropriated by the Government and driven the Indians to starvation. It cannot be doubted that Indian wars have originated from this cause. The Sioux war in Minnesota is supposed to have been produced in this way. For a long time these officers have been selected from partisan ranks, not so much on account of honesty and qualification as for devotion to party interests and their willingness to apply the money of the Indian to promote the selfish schemes of local politicians.

This military authority is certainly considerable. It is testimony from an impartial source, and was written and submitted by Generals Sherman, Harney, Terry, and Angur, and by Messrs. Taylor, Henderson, Sanborn, and Tappan, gentlemen long familiar with the Indian service, whose duty it was to give to the subject their most careful consideration, and whose reputations were involved in discharging their duties creditably as well as conscientiously. What has since occurred to change public opinion in favor of the present bill? Is it the peculations of the Indian ring and the maladministration of Indian affairs? I know of no other plausible answer, and to this I reply it is the duty of the democratic party and of the country to reform the service and "reform it altogether;" not by a war upon the Indian, but by war of extermination against the Indian ring and its supporters and coadjutors in office. No halting, doubting, or hesitating mind need cherish fears that the people are not now ready, yea, anxious and clamorous for reform in this and all branches of the public service. The calling and election of this House was for radical reform; and which, I have the confidence to say, has already made its enduring mark upon the public mind. That mark is one of public approval. But I would fain convince that public that the mailed hand of military power is not the gentlest or the best one to guide its Indian affairs along the narrow pathway to reform. Military force may keep the peace for a time, and the civil policy admits of the use of the Army against the Indians as against the whites when the necessary occasion requires it, just as we use the sheriff and his posse to quell the riotous and the turbulent. But this power alone has no elements of civilization. It can but overcome brute force and allay bloody opposition, preparing the way for civilizing influences, as the plowshare buries the cumbrous and noxious weeds to give place to the seed of the husbandman. And after its deathly work is done, a more kindly agency than this must carry on the grand work of reclaiming the Indian from barbarism and leading him onward and upward to civilization.

For the seventeen years that the War Department had control of this business there were constant Indian wars. The legend and story of all the northwestern territory is of Indian wars and border conflicts. Volumes of these animating histories have been written. Heroes are still the namesakes of heroic chiefs. Two hundred and nineteen counties and villages have been named in memory of the chivalric deeds of border captains and defenders against the Indians. Lost tribes are yet known in the names of the lakes and rivers. They were ever on the war-path during the control of the War Department. Is there any guarantee for peace or a better future under the same circumstances? Is there a greater cruelty to be inflicted on the regular Army than to compel it to live out among the Indians and to take upon itself the work of teaching them the arts of peace? What field is there on Indian reservations for the achievement of military renown, which is the true ambition of the soldier? His duties and his desires are threefold: to kill the enemy, to kill time, and to merit promotion. Both officer and soldier as a rule, we should think, would despise this kind of work. It is averse to their education, their ambition, and the spirit of their professional duties. One fact may be stated, that while the Indian affairs were under the War Department at least seven years were spent in costly, unprofitable, and unjust wars against the Seminoles and the Sacs and Foxes; as also in vexatious contentions with the Creeks and Cherokees. And nearly all the wars under the civil administration have had their origin in the hasty and ill-considered action of military officers and soldiers stationed in the Indian country—wars which patience and prudence would have reconciled and avoided.

This fact was so well exemplified and proved by the author of the minority report against this bill (Judge WILSHIRE, of the Committee on Indian Affairs) that I will not go over the ground so ably occupied by him. This salient fact is shown, that in a seven-years war with seven hundred Seminoles, we lost fifteen hundred enlisted men, spent \$50,000,000, and gained nothing. Not a Seminole was removed; not one was civilized, except in their experience of successful warfare against the regular Army.

Now I might detain the House for a full hour by the recital of the many unfortunate conflicts we have had with various tribes down to the Modoc war, detailing their origin and their cost. But I think enough has been said on this bill against its passage to satisfy impartial men who are interested in it that you cannot civilize the Indian by any superior power, wisdom, or influence of the Army; nor can you save money to the Government.



If Indian extermination is to be again resorted to, it is a slow and costly policy; for we have now been in that line of business with the help of the Army for two hundred years, and have not yet succeeded in their complete extermination. And what we have thus far accomplished through the military arm has cost us at least \$500,000,000. I have estimated that there may be 250,000 Indians left. If my appraisalment of the actual cost of killing an Indian is not extravagant, you will find it necessary to doubly increase the present debt of the nation in the final successful effort to get rid of him. You may exasperate and worry him with the Army to a most distressful condition. You may re-enact the Sand Creek massacre of Colorado, and the Piegan war of four years ago, but you will fail in conquering a peace or in civilizing the wild and barbarous tribes with stores of ordnance and with supplies of ammunition. Only the gateway of civilization opens upon paths of peace.

This bill being enacted, as it is not improbable that it will be, the first notice of this transfer to the Indians will be the winding horn of the cavalry, the clangor of sabers, and the thunder of artillery. Their dreaded Little Father, the Lieutenant-General of the Army and commander of the West, will administer to them the comforting and beneficent civilization that martial law and the will of the Commander-in-Chief shall direct. This short and summary code of procedure has received the latest and most authentic interpretation in the proceedings of the military sitting as a committee of privileges and elections to determine who should be members of the Louisiana Legislature in 1875. I read from Executive Document No. 13, Senate, second session Forty-third Congress, page 17:

[Telegram dated New Orleans, January 5, 1875, received at northeast corner Fourteenth street and Pennsylvania avenue, 4.47 p. m.]

W. W. BELKNAP,  
Secretary of War, Washington, D. C.

Please say to the President that he need give himself no uneasiness about the condition of affairs here. I will preserve the peace, which it is not hard to do with the naval and military forces in and about the city, and if Congress will declare the White Leagues and other similar organizations, white or black, banditti, I will relieve it from the necessity of any special legislation for the preservation of peace and equality of rights in the States of Louisiana, Mississippi, Arkansas, and the Executive from much of the trouble heretofore had in this section of the country.

I think that the terrorism now existing in Louisiana, Mississippi, and Arkansas could be entirely removed and confidence and fair-dealing established by the arrest and trial of the ringleaders of the armed White Leagues. If Congress would pass a bill declaring them banditti they could be tried by a military commission. The ringleaders of this banditti, who murdered men here on the 14th of last September, and also more recently at Vicksburg, Mississippi, should, in justice to law and order and the peace and prosperity of this southern part of the country, be punished. It is possible that, if the President would issue a proclamation declaring them banditti, no further action need be taken, except that which would devote upon me.

P. H. SHERIDAN,  
Lieutenant-General United States Army.

If the military jurisprudence recommended by this dispatch was considered good enough for the white and black citizens of Louisiana last year, why may not the same rule be established for the Indians under this bill? Peace is to be preserved by the military forces. The Executive and Congress are relieved of the necessity of any special legislation! How gentle, and humane, and civilizing is the military power! How obliging and condescending to perform all the functions of Government, seize the liberties of the people, and relieve them of the performance of their public and private affairs!

If six years of martial law and civil war, ending in \$3,000,000,000 of public debt, are not burdens sufficient for the present day, let Congress pass this bill and re-enforce the military power with this new field of unlimited authority.

Under the rule of good men almost any evil precedent may remain harmless. If they are compelled to use it, they will suffer it to die with the untoward exigency that called it forth. But if you now go on with this business, may there not come a time in the no distant future when the people shall mourn for their lost freedom—lost through the evil example of transferring civil administration into the hands of military authority. Then shall they curse the evil day in which the bad precedent—this fatal departure—was left by us for their humiliation and defeat.

#### The Cultivation and Preservation of Timber.

### SPEECH OF HON. MARK H. DUNNELL, OF MINNESOTA,

IN THE HOUSE OF REPRESENTATIVES,

April 27, 1876.

In Committee of the Whole on the state of the Union for the consideration of the legislative, executive, and judicial appropriation bill.

Mr. DUNNELL. Mr. Chairman, I offer the following amendment:

After the word dollars, in line 1496, add the following words:

Provided, That \$2,000 of the above amount shall be expended by the Commissioner of Agriculture as compensation to some man of approved attainments, who is practically well acquainted with methods of statistical inquiry and who has evinced an intimate acquaintance with questions relating to the national wants in regard to timber, to prosecute investigations and inquiries, with the view of ascer-

taining the annual amount of consumption, importation, and exportation of timber and other forest-products, the probable supply for future wants, the means best adapted to their preservation and renewal, the influence of forests upon climate, and the measures that have been successfully applied in foreign countries, or that may be deemed applicable in this country, for the preservation and restoration or planting of forests; and to report upon the same to the Commissioner of Agriculture, to be by him in a separate report transmitted to Congress.

Mr. Chairman, the time allowed me under the five-minute rule in which to support this amendment, will be wholly inadequate to a proper presentation of the arguments which exist for its adoption. When my time has expired, I shall ask the committee to allow me to print the balance of my remarks.

The cultivation and preservation of timber constitute an eminently practical subject. The manifold uses of the various woods, the influence of the forests upon the climates and their preservation and renewal, should not escape the attention of Congress. We shall neglect a great material interest if we do not properly foster it. This amendment does not add a single dollar to the amount named in the paragraph, but only diverts a small fraction of it to the purposes set forth in the amendment.

I am happy to say that the Committee on Appropriations have assured me that they will not object to the proviso. Timber culture, within the past few years, has been discussed and acted upon by Congress, many of the State Legislatures, and more of the agricultural societies of the country.

The rapid diminution of some of the most valuable timbers, because the most common in use, such as white pine, has been one cause for this action. The treeless prairies of the West have been heard. The winds which sweep over them have demanded the break which standing forests always furnish.

The failing streams and springs in many of the Eastern States have also conspired to usher in a consideration of the timber question, which for years has been scientifically canvassed in many countries of Europe. The schools of forestry in Germany and France and many other foreign nations, attest the truth of this statement.

The pending amendment has in view an entirely useful result. It looks to investigations and inquiry with a view to ascertain the annual amount of consumption, importation, and exportation of timber and other forest products; the probable supply for future wants and the best means for their renewal. This is right, for it recognizes timber as a material more used and more needed than any other in the great interests of commerce and agriculture.

Timber is the handmaid of civilization. Indeed, without it, there could have been no escape from the rudeness of savage life. We have legislated in the interest of all the metals. The annual timber production exceeds that of any one of the metals. It is far more essential to national prosperity than either one of them. How to preserve it from waste and how to renew it when exhausted by legitimate consumption, are very important questions. That they may be answered correctly, investigations are needed, facts must be brought into play. We need a man who is well acquainted with the methods of statistical inquiry. The small amount named in the amendment, will give to the whole country a separate report giving facts, the result of all observations, the practical experience of individuals, societies, and schools, supplemented by the best methods to be adopted for cultivation and preservation.

The public mind has become aroused to the transcendent importance of this subject. There is, however, in our libraries and in our own language, a lack of information. The people are anxious to obtain it.

On the 18th of last January, I introduced into the House a bill (H. R. No. 1013) for the appointment of a commissioner for inquiring into the destruction of forests and into the measures necessary for the preservation of timber. Since that date, I have received letters from many of the States asking for the bill and for the source of information upon the object embraced in it.

An objection exists to the multiplication of Federal officers. The amendment which I now propose recognizes this objection. No new office is created. It seeks to secure specific, well-arranged, and useful information. I sincerely hope that there will be no opposition to it.

It is not my purpose, in a further discussion of the advantages which will result from an adoption of this amendment, to give my own reasonings, but largely present facts and statistics collected from such sources as have been at my command.

The quantities of timber consumed each year are startling. Lumber statistics therefore must be used to show how absolutely necessary it is that the supply be kept good.

Before presenting these allow me, sir, to allude briefly to the acts of Congress regarding timber. In 1817 Congress passed the first act for the preservation of live-oak and red cedar for naval purposes, with penalties for cutting and destroying trees. In 1831 another act was passed to arrest spoliation. In 1865 the management of the timber interests was transferred to the General Land Office, and the local land officers were charged with the duty of protecting our timber. A full letter of instructions was issued to them by the then Commissioner of the General Land Office, Hon. Thomas A. Hendricks.

The act to encourage the growth on the western prairies approved March 3, 1873, was the last legislation, and merely protects individuals in their rights to a quarter section of land, who shall plant, protect, and keep in a healthy condition for ten years the trees called for by the act.

The American Association for the Advancement of Science, at its annual session in 1873, adopted a memorial to Congress upon the cultivation of timber and the preservation of forests.

February 14, 1874, the President in a special message transmitted this message to Congress. It was referred to the House Committee on Public Lands. This committee, March 17, 1874, submitted a report upon the same and unanimously recommended the passage of an act for the appointment of a commissioner of forestry.

The House, for the reasons already hinted at, did not sustain the committee.

The report of the committee, prepared largely by Franklin B. Hough, M. D., of New York, and George B. Emerson, LL.D., of Massachusetts, a committee of the American Association for the Advancement of Science, was full and replete with exceedingly valuable information. The usual edition was quickly exhausted, and an extra issue of five thousand was ordered by Congress. This report was called for from every State in the Union. Hon. Mr. Vogel, in the New Zealand house of representatives, quoted from it in a speech made by him September 14, 1874, upon New Zealand forests. The Edinburgh Review for October last has a review of the speech of Mr. Vogel and recites the following facts derived in part from the report:

We should remember that the great demand which must hereafter come upon the forest reserves of the world for fuel is as yet comparatively unmet. In the United States, indeed, the 60,000 miles of railway now in use or soon to be completed make a steady annual demand for combustion as well as for construction.

To give 2,500 sleepers to the mile these roads require 150,000,000 of trees, each tree making generally but one sleeper. These sleepers require renewal every five years, making a demand for 30,000,000 of trees per annum.

The estimated distance run each day by trains on all the roads is 308,000 miles. Each engine with an ordinary train consumes about  $1\frac{1}{2}$  cords for every 35 miles. This gives an annual consumption of 6,500,000 cords of wood. The 60,000 miles of railway require, at the rate of 40 poles per mile, 2,400,000 trees. These also decay and will require renewal.

The demand for lumber increases at the rate of 25 per cent. per annum. The fences of the United States are now valued at \$1,800,000,000, costing \$98,000,000 per annum for repairs and renewals. These are chiefly of wood.

In 1871, 10,000 acres of forest were stripped of their timber to supply fuel for the single city of Chicago.

Sixty-three thousand nine hundred and twenty-eight establishments, employing 393,376 persons and using material to the value of \$310,000,000 per annum, were engaged in the year 1869 in manufacturing articles entirely from wood, in addition to the number of 743,840 persons partly employed on wood, and using annually wood to the value of \$354,000,000. The estimate given in the speech of Mr. Vogel of \$1,000,000,000 per annum as the value of the products drawn from the forests of the United States falls nearly one-third short of these enumerated items, without taking count of the consumption for the railways.

Other estimates are much too low—especially in regard to miles of railroads and needed ties.

The article in the Review from which the above is taken contains forest statistics gathered in every quarter of the globe. The constantly-multiplying uses of wood, the result in part of inventions, render the objects sought by this amendment worthy the study and support of statesmen and philanthropists.

Attention is now called to some of the conclusions of the Committee on Public Lands, as given in the report to which allusion has been made, and also to the reasonings contained in the memorial which called out the report. It must be remembered that these are presented in support of the same result which I seek to secure by my amendment.

The committee say:

After as full an investigation of this question as present opportunities allow, we are convinced that the statements of the memorial are essentially true, and that it is the duty of the Government to take immediate measures for ascertaining the condition and prospects of our timber supply, to the end that the future wants of the country with regard to these great interests, both in their scientific and practical relations, should be thoroughly investigated and made widely known.

In European countries large forests are owned and managed by governments, and elaborate systems of culture have been devised. With us, the greater part of the lands in the older States have already passed into the hands of private owners, and much that remains in the newer States and in the Territories is without timber. The operations of planting and management must, therefore, be left to private enterprise. We do not now recommend the undertaking of this industry by the Government, nor can we foresee that such a measure could ever in future be attempted beyond the reservation of such valuable timber-tracts as remain in our public domains and that may seem to require preservation against injury or depredation.

But, in the great questions of forest economy which we see arising and concerning which our people have everything to learn, we realize the need of every aid to practical success that the experience of older nations in Europe has wrought out and all the benefits that science can confer in rendering success in forest culture and timber economies certain and complete.

There is no way in which this can so effectually be done as by the employment of a man thoroughly competent for the duty, who might be able to bring to his subject the fruits of ripe experience in statistical inquiries and scientific labor, and collect, classify, condense, and make available whatever knowledge there may be found appertaining to the general object.

The memorial of the American Association for the Advancement of Science presents a full statement of the reasons for national, State, and local concern in regard to the question of timber. It compels a consideration of a future supply for fuel and the arts; it suggests the best conception of statesmanship.

Legislation which confines itself to the present alone is not always the best. Not infrequently it is that the wisest which ignores the present and interests itself in the future alone.

No argument can be raised against practical legislation. That which makes more certain a supply of whatever the race shall need in the future, for life and the uses of civilized life, is not only practical but is humane. So savagely in the past, have Americans cut down the forests that stood in their way and in the march of agriculture and in the acquisition of wealth, that they should now be asked to cease

the work of destruction and commence the work of renewal. Those who are to come after them have rights; they will need houses, fences, and fuel; they will need forests for health as well as use. This generation should do better in this respect than the past; that cut down and too often wasted; this should plant and preserve.

I here quote from the memorial:

That the preservation and growth of timber are a subject of great practical importance to the people of the United States and are becoming every year of more and more consequence from the increasing demand for its use; and that while this rapid exhaustion is taking place there is no effectual provision against waste or the renewal of supply.

We apprehend that the time is not distant when great public injury must result from this cause, and we deem it to be our duty to urge upon the Government the importance of taking timely action in providing against the evils that must otherwise follow.

Besides the economical value of timber for construction, fuel, and the arts, which is obvious without suggestion and must increase with the growth of the nation, there are questions of climate that appear to have a close relation to the presence or absence of woodland shade. The drying up of rivulets which feed our mill-streams and navigable rivers and supply our canals, the failure of the sources which supply our cities with pure water, and the growing tendency to floods and drought, resulting from the unequal distribution of the rain-falls since the cutting off of our forests, are subjects of common observation.

In European countries, especially in Italy, Germany, Austria, and France, where the injuries resulting from the cutting off of timber have long since been realized, the attention of governments has been turned to this subject by the necessities of the case, and conservative measures have in many instances been successfully applied, so that a supply of timber has been obtained by cultivation and other benefits resulting from this measure have been realized.

Special schools of forestry have been established under the auspices of government, and the practical applications of science in the selection of soil and conditions favorable for particular species, and in the planting, care, and removal of timber, are taught and applied, with the view of realizing the greatest benefits at the least expense.

Those who are the most unwilling to look into the future and provide for it by husbanding our present timber supplies, admit that in twenty years building-lumber will be exceedingly scarce, and in many parts of the country now reasonably supplied wholly gone. While they would put off the evil day, they do not deny its approach.

It should not be forgotten that just as the cost of the article increases, in that proportion will diminish in number and profit, many of the trades and occupations of the people. There are now many millions of workers of wood. A thousand million dollars as the value of the products drawn from the forests of the United States in a single year, indicate a fearful consumption. This consumption, while it may indicate prosperity and great national growth, is a just source of concern; for it foretells its own end. Our percentage of woodlands to all other improved and unimproved lands is but 25 per cent. The percentage in Norway is 66, and in Sweden 60 per cent. In this latter country there are not only schools of forestry, but the most stringent laws for the continuance of their lumber supply. Are such laws unreasonable? Are they not pre-eminently wise?

Though the demand for timber increases in the United States at the rate of 25 per cent. annually, and 7,000,000 acres are stripped each year, yet we have no measures in force to make up the loss. The future is left to take care of itself. The spontaneous efforts of nature will not suffice. Let me now ask the attention of the committee to the effect of forests upon rain-falls, and consequently upon the climate. The following statement was made by Dr. Hooker in the Paris Universal Exposition Report in 1863:

There is good reason to think that in tropical countries the removal of wood operates effectually in reducing the rain-fall. There can, at any rate, be no doubt that the presence of forests plays a most important part in storing the rain-fall, and yielding up gradually to the streams a continuous supply of water; a thing, I need hardly say, in a hot country of primary importance. Moreover, the rain is retained by forests on the surface of the ground; it gradually permeates to the subsoil, and so feeds the underground water-bearing strata upon which springs and wells must eventually depend. If the forest is indiscriminately removed, this rain runs off as fast as it falls, and washes away the superficial and fertile soil with it.

I have lately received an account of the deterioration of the climate of some of the Leeward Islands, which affords a melancholy confirmation of what I have urged above.

The contrast between neighboring islands is most striking. The sad change which has befallen the smaller ones is, without doubt, to be ascribed to human agency alone. It is recorded of those that in former times they were clothed with dense forests, and their oldest inhabitants remembered when the rains were abundant and the hills and all uncultivated places were sheltered by dense groves. The removal of the trees was certainly the cause of the present evil.

I ask attention to the following extract from the annual message of Governor Hartranft, of Pennsylvania, to the Legislature of that State, in 1874:

I specially invite your attention to an evil of considerable magnitude, which every year grows more aggravated, and in certain regions, at times, is the occasion of serious apprehension and loss. I refer to the wholesale destruction of our forests, the stripping our mountains and hills of their trees, resulting in an enormous diminution of water for mechanical and fertilizing purposes, and in great changes in the normal conditions of temperature and moisture affecting the general health, and at seasons bringing about devastating floods. These consequences, as the effects of this indiscriminate waste, are demonstrable, and a wise legislation will forecast the future, and establish such regulations as will rescue our descendants from the ill a perseverance in this practice will certainly entail upon them.

In Eastern Ohio, it is a common observation that the summers are becoming drier and the streams smaller; some rivers showing considerable decrease in navigability during the last fifty years.

The summers are hotter and the winters colder. This can be referred to the destruction of the forests along the tributaries of the Mississippi. Valencia, in South America, "was formerly situated about one mile and a half from a beautiful lake which was surrounded by a dense forest. The trees were cut away, and in course of time



the waters receded to the distance of four and a half miles. The trees were afterward replaced by others, and in about twenty-two years the lake returned to its original boundaries."

Many instances can be furnished where lands, once gardens of freshness, beauty, and fertility, have become utter deserts by the removal of the forests which covered them. Many mill privileges, found at the outlets of ponds and on rivers in the older wooded States, have now disappeared, and the size of the rivers has greatly changed. I would here give a few extracts from the last annual report of the Massachusetts board of agriculture. One contributor to that report says:

There is a good illustration of the effects of the destruction and reproduction of forests in drying up and restoring ponds in my immediate neighborhood. Within about one-half mile of my residence there is a pond upon which mills have been standing for a long time, dating back, I believe, to the first settlement of the town. These have been kept in constant operation until within about twenty or thirty years, when the supply of water began to fall. The pond owes its existence to a stream which has its source in the hills which stretch some miles to the south. Within the time mentioned, these hills, which were clothed with a dense forest, have been almost entirely stripped of trees; and to the wonder and loss of the mill-owners, the water in the pond has failed, except in the season of freshets, and what was never heard of before, the stream itself has been entirely dry. Within the last ten years a new growth of wood has sprung up on most of the land formerly occupied by the old forest; and now the water runs through the year, notwithstanding the great droughts of the last few years, going back from 1856.

Another instance is given:

Such have been the changes in the flow of the Milwaukee River, even while the area from which it receives its supply is but partially cleared, that the proprietors of most of the mills and factories have found it necessary to resort to the use of steam, at a largely increased yearly cost, to supply the deficiency of water-power in dry seasons of the year. The floods of spring are increased until they are sufficient to carry away bridges and dams before deemed secure against their ravages. What has happened to the Milwaukee River has happened to all other water-courses in the State from whose banks the forests have been removed, and many farmers who selected land upon which there was a living brook of clear, pure water, now find the brooks dried up during a considerable portion of the year.

Many fruits which grew in abundance in New England fifty years ago, cannot now be produced there. This is a result not so much from an exhaustion of the soil, as a change in the climate by the felling of the forests.

The winter in the State of Michigan has greatly increased in severity during the last twenty years. This severity seems to keep pace with the cutting off of the forests.

Thirty years ago, the peach, corn, and winter-wheat crops were far more certain and abundant than now.

The influence of belts of trees on local climate is admitted. The statements above made will not be denied; they could be vastly multiplied. The subject of timber challenges consideration. Its destruction, preservation, and renewal constitute a question of supreme importance.

The value of timber, its part in civilized life, are not likely to be overestimated. It is a matter of congratulation that many States have become aroused to tree-planting. The public sentiment which shall sustain the planting of trees will secure their preservation and resist further reckless waste. In the older and the newer, States we now witness a deep interest in the tree question. I do not deem it out of place to mention some facts concerning the State which I have the honor in part to represent on this floor. Within the past two years many hundreds of entries have been made under the act to encourage the growth of timber on the western prairies. This act and the report of the Committee on Public Lands in the Forty-third Congress, to which I have already referred, have also conspired to the formation of a State forestry association. Its officers are among the foremost men of the State. Article 2 of the constitution of the association reads as follows:

The object of this association shall be the encouragement and promotion of forest culture, by the collection and diffusion of practical information on that subject, and by the discussion of all questions pertaining thereto, to secure the general observance of arbor day throughout the State, and to promote the ultimate redemption of the treeless regions of Minnesota.

The association now offers in premiums for the coming arbor day, the first Tuesday in May, the sum of \$3,000.

Not less than one million of forest trees were planted last year under the stimulus of \$400, besides the tens of thousands not reported. The last Legislature appropriated \$2,500 for premiums for the coming month of May.

It was a noble act, and will prove a rich investment. The time will come when our magnificent prairies shall all be occupied by a prosperous and happy people, because to their rich soil, there shall be added the milder winter and an absence of the insecurities attendant upon treeless prairies. God has given us their deep, rich soil and commanded us to break the wind which sweeps over them, to draw the moisture from the passing clouds by planted forests, and so make them the fittest abode for mortals. Then the locust will depart to the treeless region beyond.

The newspapers of the State are teeming with articles of encouragement to every owner of land.

One paper properly says:

Each quarter section should have at least twenty acres of timber, and this year we hope every man who has a farm will commence his centennial forest and each recurring May add a few trees until he covers a sufficient area to supply his farm with timber forever. Though no one now living will live to see what our efforts now will develop into a hundred years hence, the people then will not even suspect that this entire country was once a treeless waste, but the records of the Forestry Association will exist to tell how these prairies were transformed into a new life.

The earnest and intelligent secretary of the association, Hon. Leonard B. Hodges, wrote me recently that "with the aid of the State ap-

propriation, we will arrange a premium list which will set nearly every man, woman, and child in the treeless region of Minnesota at work, and will make our next arbor day something to be proud of;" and elsewhere, speaking of the prosperity of the association, he says:

Every day adds to our strength; ours is a broad church; tree planting is our creed, and no falling from grace. We must have ten thousand members.

Kansas, Nebraska, and some of the Territories are beginning to move in this enterprise.

A few days since the New York Evening Express contained an article headed, "Again we say, plant trees." From this article I take the following:

Temperature, moisture, climate, and pestilence are all mastered in a degree by forests. Our changes in climate not only increase diseases, but produce new ones. The narrowing of the winter-wheat belt and of the fruit zone so as to reduce their areas by millions of acres is also a result of these irregularities. The healing influence of the conifers upon those afflicted with consumption, catarrhal, asthmatic, and throat difficulties is also an important count in the case at issue. The census maps show distinctly the regions where such diseases are especially prevalent, and it is significant to find New England, once so rich in her robes of evergreen, has become the most scourged of any portion of the country and probably of the world—not wholly, perhaps, from the destruction of forests, but partially so at least. The fathers, for gain, tore off this protecting robe, and their children have to bear the consequences.

Governor Bagley, of Michigan, recently suggested in a public address that every person "owning a piece of God's ground," wherever it may be, in city, village, or country, plant a tree as a memorial of the nation's centennial birthday. Aside from the patriotic consideration of such an act is that of the initiation of all land-owners into the practice of tree culture. Sooner or later much of the country will have to be reset with trees.

Statistics every year show a startling inroad upon our forests, the railroads alone being great consumers of trees, and the constant requirements for building and furniture completing the work of reduction. To this, year in and year out, there is no let-up except the new growth, and it is for this new growth we are now pleading with our readers in the country, and we hope with success. At least plant as many trees each year as are cut down.

An Army officer stationed in Montana, General James S. Brisbane, has sent through me to the Committee on Public Lands of the House an elaborate communication on the subject. I deeply regret my inability to quote more largely from his facts and arguments. He begs to represent that—

We have left untouched in the whole United States but one really fine tract of timber, consisting of about one-half of Washington Territory and a third of Oregon. California has perhaps 500,000 acres of fuel, one-half of which has been cut away within the last two years; but that State, aware of the future necessity, and thereby alive to the depletion of our forests, has already commenced the cultivation of the Australia, a tree that grows rapidly and to great size.

New York has lost her maple, walnut, and hickory, and now has no considerable forest left, except what is to be found in her Adirondacks. The Wisconsin forests are in process of rapid destruction; no less than 1,030,000,000 trees have been cut in a single year. Tens of thousands of logs are rafted down the Mississippi to towns in Iowa, where they are cut into lumber. In one place 185,000,000 feet of Wisconsin logs were cut in Iowa; and your petitioner predicts that if the present destruction goes on, in ten or twenty years at most not only the forests of Wisconsin, but Michigan and Minnesota, will be swept away.

After asking Congress to provide for the appointment of a commissioner of forestry, he closes as follows:

I beg that you will further make it the duty of the commissioner of forestry to prepare a yearly report, showing the annual consumption of lumber in the United States and the amount reproduced, the most suitable kind of trees to plant in each State, and their influence upon the climate, together with tables and statistics relative to the renewal of forests in foreign countries.

Mr. Chairman, I have had no other wish or purpose in these remarks than to point out in the simplest manner the great interests involved in the object sought to be reached by the amendment which I have offered. It makes no increase in the amount appropriated, but simply indicates the manner in which the Commissioner of Agriculture shall expend a very small portion of this amount. No diversion could be more perfectly in keeping with the objects of this appropriation. The agricultural interests of the country underlie all we vote for the Agricultural Department. No one could specify an object more vitally important to the farmers of the country, and especially of those portions not so well provided by nature with timber, as the careful use of timber where now found and the growth of it where not found.

The timber put into the houses, barns, and fences of the farmers of the country, to say nothing of the quantity used for fuel, costs an amount of money many times exceeding that of the national debt. Agriculture must have timber.

Timber, as I once have said, is an element of civilization. It should be grown as well as wheat or rye or oats. How this may be done should be an object of study. The supreme importance and dignity of timber preservation and cultivation should be brought home to the whole country. It should know what other countries have done to promote the great interest. While our Government is not asked to establish schools of forestry, yet it may have the results of such schools in England, Scotland, Germany, France, Austria, Russia, Sweden, Italy, and other countries. These results are too numerous even to state; some of them would be of incalculable value to us. A demonstration of the profitableness of timber culture would go far to settle it with a people like ours. These schools have ascertained the soils and climates suited to all the trees of the forest.

The mighty interests sought to be aided by my amendment, call for demonstrations, the facts of science, the results of experiment, methods, and specific instructions.

For the reasons which I have now given, and many more which for want of time I cannot give, I hope for the adoption of the pending amendment.

The amendment of Mr. DUNNELL was agreed to.

## River and Harbor Appropriations.

SPEECH OF HON. C. J. FAULKNER,  
OF WEST VIRGINIA.

IN THE HOUSE OF REPRESENTATIVES,

May 3, 1876.

On the bill (H. R. No. 3022) making appropriations for the construction, repair, preservation, and completion of certain public works, of rivers and harbors, and for other purposes.

Mr. FAULKNER. Mr. Speaker, the bill now under consideration contains five separate appropriations for the improvement of the rivers of West Virginia; and, as many gentlemen now upon this floor are unacquainted with the present condition and undeveloped resources of that State, this is an appropriate occasion to show the fair and just claims which it has to a participation in any system designed to extend and facilitate the inland navigation of the United States.

The rivers provided for by this bill are the Great Kanawha, the New River, the Big Sandy, the Elk, and the Monongahela. Provision should also have been made for the Little Kanawha; but, as the estimates for that improvement were not embraced in the report of the War Department transmitted to the present Congress, the consideration of its claims has been postponed until such a report shall hereafter be received. The sums this year appropriated are small, being less than one-third of the official estimates of the Engineer and War Departments. But we cheerfully submit, in common with all the other interests concerned, to this reduction upon the estimates for the present year, concurring fully in the general policy that in the present depleted condition of the Treasury and in the existing depressed industries of the nation we should reduce the expenditures of the Government to the lowest point consistent with the interests of the public service.

Before I proceed to advert to the specific appropriations contained in this bill, I will present some general views upon the extent and character of the resources of the State of West Virginia, which, when they shall be understood and justly appreciated, cannot fail to attract the attention of the capitalists of the world and to satisfy the people of the United States that they have, in the great undeveloped wealth of that State, elements of national power and advancement which they must recognize as worthy of the patronage and protection of this Government.

I may perhaps startle and astonish gentlemen upon this floor when I assert that West Virginia, in the variety, quality, and magnitude of her coal-fields and in the extent and quality of her iron ores, is capable of becoming, for its territorial area, one of the most productive States of this Union. It is true ours is a mountain country; its population is comparatively thin; we enjoy, so far, but few improvements and have but little capital, and we are generally now classed among the poorer States of this Republic. Such, indeed, is admittedly our present condition; but this classification, as applied to our State, will cease when we shall be able to throw off that embargo with which nature has encompassed and imprisoned our wealth, and when we shall by your aid become able to establish such commercial communications east and west of us as will bring the now unexplored riches of our State into a condition of active and practical development.

## COAL.

First, then, let me call the attention of this body to the extent and magnitude of the coal-fields that underlie the surface of that State.

The great Appalachian or Alleghany coal-fields extend from Pennsylvania as far south as Alabama. Throughout this distance of upward of eight hundred miles they vary greatly in the quality and value of their deposits. It is in West Virginia that the richest, the most extensive, and the most available portion of this great coal-field lies. Its area in that State is estimated to embrace 16,000 square miles, which is something more than two-thirds of its entire territorial surface. It has, indeed, been well termed an enormous area of nearly horizontal strata, with geographical features of great simplicity.

It embraces every variety of valuable coal, from the fat and gaseous bituminous, the iron-smelting splint, the rich and oily cannel, to the anthracite, which is found to exist in the western parts of Berkeley County. They have been found upon analysis and experiment to be purer, better, and more available for all the purposes of trade and manufacture than in any other portion of the Alleghany coal-fields. The seams are more numerous and their thickness greater, so that they can be mined cheaper and with more economy generally than in any other country of the world.

It is one of their peculiarities that they are generally above the water level; thus "no borings are needed to prove the presence of the minerals; no shafts are required to reach them; no pumping is necessary to drain them; and no machinery to open and work them, and they are naturally and easily ventilated."

When I was a member of the State senate of Virginia some years ago, a geological survey of that State was projected, to be executed by Professor William B. Rogers, a gentleman of high scientific attainments. He made five annual reports of progress for the years 1837, 1838, 1839, 1840, and 1841, in which were embraced some of the most interesting portions of what is now West Virginia. His reports,

though imperfect and detached, were marked by great research and profound learning; but unhappily his valuable labors were brought to a close from the want of funds, and his work thus left in an unfinished condition.

While, therefore, we have not that exact and scientific survey of the mineral resources of our entire State which would be desirable, yet the enterprise of our own people, with the aid of some foreign capital, the demands of trade and of fuel, and the occasional visits of geologists of high distinction, both European and American, enable us to have a very clear general view of the boundless wealth which lies under the surface of our soil.

If I may, therefore, as the result of my own reading and observation, be allowed to classify the principal coal-measures of our State by geographical description, I would say that they present five clearly defined lines of observation. They are:

First, the Ohio River district. This line of observation extends from the northern limits of Hancock County, thence along the Ohio River to the mouth of the Big Sandy. At Wheeling, and for many miles down the river, the cliff or bank presents an uninterrupted bed of bituminous coal, upward of six feet thick, of such a quality as to furnish fuel for all the dwellings and manufactories of that enterprising and prosperous city and its neighborhood. So at the extreme southern limit of that district we find the deposits as rich and abundant as in any intermediate portion of it. In his geological report of the survey of Kentucky, David Dale Owen, after referring to the abundant coal west of the Big Sandy, the dividing line between West Virginia and Kentucky, says, "That the coal-beds increase in thickness and number east of the Big Sandy; and as far as can be seen in unwrought outcrop, the coal appears to be of excellent quality."

Secondly, the Monongahela Valley district. This valley occupies, within the limits of West Virginia, a space of about one hundred miles in length, by sixty or eighty in breadth, and lies between the Alleghany Mountains and their collateral ranges on the east, and the Ohio River on the west. Its general direction is north and south, with a rapid declination from its southern border to its northern extremity. Between the ranges of mountains, long but narrow strips of level land here called "glades" are to be seen. The table-lands of Mexico are here represented in miniature. Professor Rogers, in speaking of this section of the State, says:

At Clarkaburgh and northward down the valley of the Monongahela, there exists one of the richest coal deposits in the State. One of the seams in some places in the neighborhood of this town is from ten to twelve feet in thickness, below which, and separated chiefly by a heavy bed of sandstone, there lies a thinner stratum of a more highly bituminous character. \* \* \* We may form some idea of the vast extent of these coal seams from the fact that from some distance above Clarkaburgh they may be followed with scarcely any interruptions throughout the whole length of the valley of the Monongahela down to Pittsburgh.

Thirdly, the Potomac district. This embraces the counties of Hampshire, Mineral, Hardy, Grant, and Pendleton. Professor Rogers gave but a very limited examination to this section of the State; but what he states in regard to Hampshire is equally applicable to other portions of that district.

In Hampshire County—

Says this distinguished geologist—

upon a stratum of valuable iron ore not less than fifteen feet in thickness, there rests a bed of sandstone, upon which reposes a coal seam three feet thick; above this another bed of sandstone, then a two-foot vein of coal, then sandstone, then another coal seam of four feet; again a stratum of sandstone, and over it a seven-foot vein of coal; over this a heavy bed of iron ore; and, crowning the series, an enormous coal seam of from fifteen to twenty feet in thickness.

Fourthly, the central district, which lies west of the first range of the Alleghany Mountains, south of the northwestern railroad, and north of the Kanawha Valley, and is that important section of the State, embracing fifteen counties, through which the Washington and Ohio Railroad and the Washington, Cincinnati and Saint Louis Railroad are destined to penetrate before many years, revealing the boundless wealth yet undeveloped in its mountains and valleys. Some idea of the hidden treasures of this section may be gathered from the extract of a letter from John R. Bestor, civil engineer, written a few days ago from Weston, in which he thus speaks of one of the veins of coal which he had personally examined:

I am the assistant of the State board of central managers for West Virginia have visited this remarkable vein at Bearing Creek, Randolph County. At one place it appears from an approximate measurement to be about thirty-eight feet thick. The Washington and Ohio Railroad will run on this vein of coal from the mouth of Roaring Creek to near Buckhannon. The deposit covers not less than eight hundred square miles, to my personal knowledge.

Fifthly, the great Kanawha Valley district. It is here that the God of nature has poured out his choicest gifts, and it is here that the deposit of coal is to be seen in all its richest and most varied developments. That river, running at right angles to the Ohio, traverses the wonderful coal-measures of this region, and renders accessible to the industry of man their mineral treasures in a manner most available for practical production. Coal River, Elk River, and Gauley, tributaries of that river, spread their branches over one of the most remarkable coal regions upon earth, and pour their wealth into one common center on the Kanawha. Well has Mr. Daddow said that this is the natural mining and manufacturing center, not only of West Virginia, but of the great Alleghany coal-field, and he very justly anticipates that the day will arrive when Charleston will become a formidable rival to Pittsburgh. Although a Pennsylvanian,



he concedes that Charleston has natural advantages superior to Pittsburgh, it being two hundred miles nearer to Cincinnati, with a river, improved as this Government is now improving it, always open to navigation, while the Ohio to Pittsburgh is frequently closed by ice in the winter, and interrupted by low water in the summer.

No one is better capable by his long residence and familiarity with the subject to speak of the wonderful deposits of this valley than Benjamin H. Smith, one of the most highly esteemed and respected residents of Charleston. I take the following extract from one of his letters:

Four-fifths of West Virginia lie on the western slope of the Cumberland range, and nearly all the country west of it abounds in coal; but in that part of the State on the Great Kanawha and its tributaries, Elk and Coal Rivers, and on the Guyandotte River, coal is found on a magnificent scale. It exists in numerous strata of different thicknesses, rising from the base of the hills to their tops, all nearly horizontal, and slightly dipping to the north. This place is sixty miles above the mouth of the river. Here the hills become lofty, and increase in elevation to Cotton Hill or Gauley Mountain. Ascending the river a distance of thirty-six miles, coal of all varieties, except the anthracite, is found of superior quality—the cannel, splint, bituminous, and all varieties of each. Geologists and others report in those thirty-six miles, at different points, workable strata of good coals amounting in all to from sixty to one hundred feet in thickness, aggregating the several strata. These strata are severally from three to fourteen feet thick. They extend over the whole country for miles, running from creek to creek, and river to river. They are readily made accessible to the Great Kanawha, Guyandotte, or Big Sandy Rivers. \* \* \* The amount of coal in the Kanawha and its tributaries, Elk and Coal Rivers, is incredible. There is nothing equal to it anywhere.

While the coal-fields of West Virginia embrace, as I have before stated, an area of 16,000 square miles, it is not thence to be inferred that the whole of it is equally accessible to the enterprise of capital or to the labors of the industrious miner. This would not be in accordance with the ways of Providence nor consistent with the received theory of the formation of the crust of the earth. In view of the mountainous character of our State, it must necessarily be that vast fields are buried at considerable depth under the surface of the soil, and which, at this time, could not repay the cost of production. This condition of our deposits has been justly remarked by an eminent and reflecting geologist as a wise and providential arrangement of the Creator in view of the wasteful propensity of mankind, whether in a savage or civilized condition of life. It is a provision of nature not only for the present but for all future generations that may inhabit our State or this continent. When that which is most easily accessible to the enterprise of man shall in the course of many centuries hence become exhausted, then the generations which at that distant period shall succeed to the inheritance of our soil, armed with new facilities and implements of labor, will penetrate into these hidden recesses and extract from the bowels of the earth that which it would not be either wise or profitable for us to attempt to apply to our present uses. Thus has our beneficent Creator stowed away at different depths in our soil incalculable quantities of this great element of private comfort and national wealth, with enough now accessible to cover our entire territory with prosperity, population, and wealth, and enough to supply all future generations until the last syllable of recorded time.

#### IRON.

Magnificent as our coal-fields are, they do not surpass our resources in iron. The iron of West Virginia may be said to exist literally throughout the State. The ores are hematites of various aspects, yielding a high percentage of metal of the finest quality. Daddow and Bannan, speaking of the existence of that metal in West Virginia, say:

This region of iron-ores will perhaps rival any locality in our country—Iron Mountain, Pilot Knob, or Lake Superior not excepted—either in quality or quantity. There is no limit to the resources of brown hematite in this section. It exists in massive beds of great extent, and ranges through a vast area of country. We have seen beds of ore in this region equal to the celebrated Cornwall deposits, and can state from practical experience, there is no richer or purer iron-ore of this description to be found. The miniature map shows the coal of the Kanawha to be in close proximity to this great region of iron, and connected by a large river, which levels, as it were, the mountains, and grades a uniform path through the huge Alleghanias.

#### AUTHORITIES CITED.

I now propose to fortify what I have said as to the mineral wealth of West Virginia by a few citations from some of the most recent and approved works of authors treating upon the mineral resources of the United States.

James Macfarlane, a citizen of Pennsylvania, in his admirable work on the coal regions of America, devotes a chapter to those of West Virginia, and thus speaks of them:

The coal regions of West Virginia are so rich and extensive, that they afford a tempting subject for conjecture as to the future greatness of this State. The reader will be permitted to indulge in these for himself; and to aid him in forming a just estimate of the value of this coal-field, he is referred to the chapter of this work as to the requisites of a successful coal trade.

Again, at page 278, he says:

Everything bespeaks West Virginia to have been originally an extended plain, which was afterward gently tilted on the east side from the horizontal position, so that its surface and the body of rocks beneath were made to decline with a slight but very uniform depression very gently toward the northwest to the valley of the Ohio. The great inequalities of surface were evidently caused by the furrowing action of a mighty and devastating rush of waters, which, by a rapid draining, scooped out enormous valleys. The parallel position of the strata keeps the coal seams near the surface over enormously wide spaces of country, while the great depth of the valleys exposes them to the day under positions for mining the easiest imaginable.

Daddow and Bannan, in their treatise upon "coal, iron, and oil," thus refer to West Virginia:

In no other portion of our country, North or South, are there more inviting prospects to labor, enterprise, and capital than is now presented in the Great Kanawha Valley. Not only its unlimited mineral resources invite attention, but the best portion of the trade of the great Mississippi Valley may be diverted into the channel of the Kanawha by ordinary means.

The same intelligent writers, after referring to the extraordinary variety and richness of the mineral resources of that section, thus proceed:

The whole valley of the Mississippi is open beyond controlling competition to the trade and the production of this region, while the present avenues to the East and the commerce of the world are but little less available than from the older and more developed centers, with this advantage ever open to the Kanawha region, that a route may be constructed having every advantage over the most favorable avenues of trade now open from the East to the West. This is, therefore, the natural mining and manufacturing center, not only of West Virginia, but of the great Alleghany coal-field.

Looking to the natural results of location and availability, now that this magnificent region is open to free labor and a corresponding development, we may anticipate for Charleston the dignity of the State capital at no very distant day, or, what may be better, the metropolis of the mining and manufacturing interests of the West.

From a printed memorial addressed to Congress from the State of Pennsylvania I will make the following extracts:

If we consider carefully the causes of the troubles we are at present laboring under, and survey the deplorable condition of the iron industry of Pennsylvania, we shall be convinced that we may not expect much of a change until this country realizes and acts upon the axiom that capital must submit to nature and harmonize with it; that wherever the raw material exists in the best quality and greatest abundance, and can be mined and worked up at the least cost, there is the only natural field for the employment of capital and labor in the development of our mineral resources, whether that field be north, south, east, or west.

This is no new or experimental theory, but a plain, practical question of trade; for if the iron-master can afford to consume millions of tons of bituminous coal, with the heavy transportation charges added to its cost, and produce iron from his furnaces in Eastern Pennsylvania at even the lowest percentage of profit, he can readily calculate how much greater his profit would be were he to transfer his furnaces to West Virginia, where his supplies of coal would cost him nothing beyond the mere labor of mining. An experience of twenty years in the use of this cheap coal has conclusively proved it to be the best in the world for iron-manufacturing purposes.

Mr. Speaker, I am unwilling to consume the time of this House by a further citation of authority upon a point so clear and undeniable as the vast and wonderful mineral resources of the State of West Virginia. It is a fact of universal recognition by all who have bestowed any attention upon this subject. And now, sir, with such established and recognized facts before us, what is the duty which devolves upon Congress? Shall this immense mass of yet undeveloped and unexplored wealth be allowed to remain unused in the bowels of the earth, or will you, by reasonable and moderate appropriations, open these hidden treasures to the active industries of the world? As I have before remarked, ours is a mountain country. Its population is thinly scattered through its hills and valleys, not exceeding twenty inhabitants to the square mile. We have little capital, few improvements; and yet we have rivers which, if we can get the aid of this Government in their improvement, will enable us to pour into the markets east and west such an amount of mineral treasure as never before floated on the surface of any river of this continent. The plainest dictates of practical economy would authorize and justify such appropriation. The expenditures in themselves will be small, while the results flowing from them will assume national importance.

In describing the mineral wealth of West Virginia I have so far confined myself to the two great articles of coal and iron, for these are the great sources of national power and advancement, the mainsprings of modern civilization. Upon what foundation has the gigantic structure of British power been reared? Clearly and admittedly upon her coal and iron. But nations have their periods of decline as well as of prosperity. The cloud which now casts a shadow over the greatness of England is the growing scarcity and increasing cost of the production of coal in that country. Mr. Bell, the president of the Iron and Steel Institute, and doubtless one of the best-informed persons in regard to iron and coal now living, appeared by request before a committee of Parliament, and in his testimony presented some striking and astounding statistics, and expressed the grave apprehension which he felt that the prosperity of the British Empire was destined to be materially affected by the absence of a more ample supply of coal. He says:

The impediment which stands in the way of any great extension of the iron trade is coal. Our great rival is the New World. In ores of the finest description the resources of the United States are unlimited, while in coal our own wealth is in comparison but poverty.

The London Daily Advertiser says:

As to the future, it is, we think, not difficult to speak with confidence. As we have frequently said in these columns, we believe that England has passed the zenith of her greatness as an iron-producing country, and that she must steadily lose ground against the growing competition of the United States.

The British Quarterly, in reviewing the report of the royal commission appointed by Parliament to look into the subject of coal in Great Britain, says:

If the present rate of increase of consumption continues, the last ton of coal in Great Britain will be extracted within a hundred years, and the United States will be the only nation that can supply the world's demand for coal and iron.

Assuming this fact to be true, the inquiry very naturally suggests itself, from what portion of the United States is this supply to come? Doubtless there are many sections of the Union from which large con-

tributions can be made; but where upon this continent is the coal and iron region to be found that can justly compare with West Virginia? Where is the State or country that in the variety, richness, and manufacturing qualities of its coal can rival those wonderful deposits which are comprehended in our sixteen thousand square miles of exhaustless wealth? There are to be found coal, ore, and limestone, the three great elements of iron manufacture, in close proximity, enabling the West Virginia operator to surpass that of any portion of the civilized world in the cheapness of production and in the quality of the articles of his labor.

In confining my remarks so far to the two articles of coal and iron, it is not to be inferred that West Virginia does not possess other elements of great commercial value. Lead is known to exist in considerable quantities; copper has been found in several places; petroleum abounds; and our salt-wells have acquired a national celebrity.

I have spoken of West Virginia as a mountain State; let me not be misunderstood. It is true that from the North Mountain to the Ohio River it is a succession of mountain elevations; but she has also valleys, which upon one occasion inspired a distinguished statesman to say of them that they were "fairer and fatter than the vale of Tempe," and lofty elevations, where the richest grasses and cereals find a compensating cultivation to their highest summits. I trust I may be pardoned for quoting from an English work, published in London by Edward Bull for the use of British emigrants, the following just and measured account of the agricultural capacities of that State:

The face of the country in West Virginia is undulating and unequal, being crossed in all directions by mountains, which attain their highest elevation—about three thousand feet above the level of the sea—at nearly two hundred miles from the coast. These mountains are extremely productive, and are covered with the finest timber-trees, many specimens of which denote the richest and most fruitful soil. As the hills are generally not precipitous, but of easy and gradual ascent, they are susceptible of being cultivated to their very summits. Between them lie some of the most fruitful valleys of the earth, rich in their productions and in the luxuriant and majestic beauty of their variegated scenery. As the country affords a course to many great rivers and to innumerable tributary streams, large tracts of alluvial soil stretch along their banks, varying in width from a hundred yards to two miles. The uneven surfaces of these tracts prevent their retaining water so as to form swamps. A natural draining carries off all the superfluous water, leaving the soil firm and dry at that of the higher lands.

This alluvial deposit, though low, is still not sufficiently so to be overflowed during the periodical risings of the rivers. It is moreover of extraordinary fertility, yielding rich crops of wheat, barley, oats, rye, turnips, potatoes, hemp, flax, Indian corn, and tobacco. The upland soil is equally productive, and contains, besides, beautiful pasture lands for the raising of cattle and stock, including horses, sheep, and hogs, in which a considerable trade is carried on, not only with the circumjacent cities and towns, but also for exportation. The sides of the highest and steepest hills are admirably suited to the cultivation of the grape. The mulberry-tree, which, as well as the vine, is indigenous, flourishes there in great luxuriance and vigor. The production therefore of wine and silk may be looked upon as a new source of wealth which a very few years will develop in Western Virginia. The olive-tree also grows extremely well in most parts of the country and bears abundantly.

I do not believe that I have in any respect overdrawn or exaggerated the resources and capacities of West Virginia. I have preferred to restrict my citation of authorities to those sources which could be least suspected of partiality. And what have you thus before you? A State possessed of every element of prosperity and greatness; a State adapted to furnish homes to millions of happy and contented laborers, and of adding incalculably to the power and resources of this Republic, and yet whose treasures lie in a great measure unproductive and locked up in their natural depositories for want of easy and convenient communication with market. What man having a valuable private estate yielding him little or nothing, and who could by the expenditure of a few thousand dollars make it productive and profitable, would not consider it the highest practical economy to invest such sum in such improvements? It is true in this case the United States has no ownership in the soil of West Virginia; but as a government it is clothed with the entire commercial power of this nation, not only with foreign powers, but between the States; and if it should apply some small portion of those funds which are derived from commerce to extend and advance this interest, it would be acting in the same line of practical economy that the proprietor of a tract of land would do who would secure to his estate access to a market where he had none before.

The appropriations made by this bill are—

First, For the Kanawha and its two tributaries, the New River and the Elk. These all contemplate the same general object—the development of the coal, iron, salt, and timber interests of the great Kanawha Valley, and the opening of channels of communication for the transportation to market of the varied products of that interesting section of the State. The improvement of this valley has now become historical. It connects itself with one of the most useful and sagacious conceptions of the Father of our Country. The improvements of this valley form an essential link in that great Virginia and West Virginia water line which I hope to see one day completed, and which will furnish one of the shortest and cheapest routes upon this continent for the agricultural productions of the States of Ohio, Kentucky, Indiana, Illinois, and Wisconsin. This route is too well known to require any more particular description of it; yet I cannot refrain from quoting some remarks uttered by Hon. WILLIAM WINDOM, Senator from Minnesota, and chairman of the Committee on Transportation Routes to the Seaboard, whose valuable labors and active support of this great West Virginia interest entitle him to the grateful acknowledgment of the people of this State. On the 3d of March, 1875, he submitted in the Senate an amendment to the river and harbor bill, then pending before that body, to appropriate \$600,000 for

the improvement of the great Kanawha River. This amendment of Mr. WINDOM was adopted by the Senate, yeas 25, nays 19; but it was subsequently reduced by the committee of conference of the two Houses to \$300,000, the same amount which is asked for in the present bill. His remarks made upon that occasion are as appropriate to the present bill as they were to the bill of the last session; and coming from a source so impartial and disinterested, cannot fail to have their just weight and influence in this body. He says:

The improvement of the Ohio and Kanawha Rivers is a condition precedent to the practicability and usefulness of the central water-route, and hence whatever may be done upon these rivers is in the line of that work. But aside from any question affecting the entire central route, the improvement of the Kanawha River, and by means of slack-water navigation, is of very great importance for the purpose of developing the inexhaustible resources of coal and iron to which I have already referred. The advantages to be realized by the improvement of the Kanawha River as now proposed are not uncertain or conjectural; they are apparent and demonstrable. They can be best estimated from the results of similar improvements on the Monongahela River, which more than any other one thing has conduced to the development of the commerce and industries of Pittsburgh. The value of the coal transportation on the Monongahela prior to January 1st, 1875, was \$34,179,403. The cost of the improvement was \$1,146,038; cost of the works only 3½ per cent. of the value of the coal. It appears also that the value of other commodities paying toll to the company was about equal to that of the coal. It is probable, therefore, that the total value of commerce developed by the improvement amounts to \$60,000,000.

To put it in another form, it appears that an expenditure of \$1,146,038 has been an essential condition in the development of \$60,000,000 of wealth; and if we could trace the effects of the coal product thus developed upon the various industries to which it has given existence, we should find that the wealth created by it would be expressed by the value of the coal many times multiplied. The inexhaustible supply of coal in West Virginia, embracing bituminous, can. cl. and splint, as well as of iron ores of superior quality, and the entire practicability of improving the Kanawha River at a cost quite inconsiderable in proportion to the advantages which would be secured, prove that equal or even greater results may be expected than have been realized from the improvement of the Monongahela.

Coal has been fitly termed "the bread of industry." The wonderful advancement in wealth and enterprise of all the commercial nations on the globe during the last fifty years has been attained largely through the creative power of coal.

These facts, as well as the magnificent results which have flowed from the development of our own coal and iron resources, point to the proposed improvement of the Ohio and Kanawha Rivers as works which should not be delayed. I have mentioned only one or two of the principal reasons for these works. Time would fail me if I were to attempt to enumerate all the advantages that would flow from them.

The New River, which is one of the tributaries, or perhaps it might be regarded as the head source of the Great Kanawha, is embraced as one of the objects of appropriation by this bill. I cannot withhold the very graphic and picturesque description which Governor Wise of Virginia has given of this river in his address before the literary societies of Roanoke College, at Salem, on the 17th of June 1873:

The New River, which rises far south in North Carolina, is one of the strangest streams that wind their way through mountain passes. Coming north it crosses the southern boundary of Virginia and strikes the Alleghenies, where Iron and Ewing Mountains meet. Thence it cuts through ridge after ridge of mountain chains for one hundred and twenty miles. It flows apparently against the law of gravitation up the plane of water-shed to encounter and overthrow the rocky barriers of the Alleghenies and to penetrate them through gorge after gorge to join the Gauley and the Great Kanawha in their rapid descent to the Ohio, then with that river to turn south again to join the swollen floods of the mighty Mississippi and roll on to the Gulf, there to be swept by the gulf stream past the Isles to the main ocean. And through what riparian grandeur flows the whole of its alpine course. Well may it be called the New River. It is a novelty in nature. It presents at every turn, in bed and banks, scenes of study for the topographer, physical geographer, engineer, and poet.

It has swept away mountain sides like dams. It plunges from fall to fall, from deep to deeper profound for a hundred miles. Its coal and iron, salt and oil, and forests are subjects of wealth for Titans to work upon, and its pastures of blue-grass and its fish and game could feed a host of Titans at their work. Its awful precipice of the Hawk's Nest is but a spot of its grandeur; it is not its dizzy height which so astounds the sight and thought as the whole river itself, the gradient of which rises up from its bed below above the height of its precipices. Whenever it is densely settled and has the necessary capital—and both will flow to it as soon as it is better known to immigrants—and whenever public improvement will develop its powers of production, it will be the most capacious and richest and strongest land and water of rivers of the same extent in the world. It is the Rhine of North America, and directly in the track of the great continental belt of transit toward its eastern outlet at the capes of the Chesapeake.

The Elk as a tributary to the Great Kanawha comes in for a small appropriation. This river has its source in the highlands of the central district of the State, and unites with the Kanawha at Charlestown. It embraces the best lumber trade in the State, and its banks are the depositories of inexhaustible supplies of coal and iron. The aid proposed by this bill to the improvement of the Elk is, in the highest degree, wise and judicious.

Secondly, The next distinct interest provided for by the bill is the Big Sandy, the dividing line between the States of Kentucky and West Virginia. This river finds its head-springs among the elevated peaks of the Cumberland group of mountains, and among the flat mountains or table-lands found between the heads of the Halston and the Guyandotte, and empties into the Ohio southwest of the Kanawha. No survey has yet been made by Virginia or West Virginia of this wild but interesting country. Professor D. D. Owen, in his State Geological Report of Kentucky, bestows a considerable portion of it upon an exhibition of the mineral resources of the counties of Lawrence, Johnson, and Floyd, in Kentucky, and which lie along the east line of that State, on the Big Sandy, and contiguous to West Virginia. He shows that the richest varieties of coal abound in those counties, and remarks that they not only extend east of that and run into West Virginia, but that the coal-beds increase both in size and richness in that direction.

The last appropriation is for the Monongahela River. This is an improvement which has been so often and so favorably patronized by Congress that I need to add but little on the subject; and yet that



little shall be a few extracts from the speech of Captain T. P. Roberts, who was employed last fall by the Government to survey that river from Morgantown to Fairmont. Being called upon for the expression of his views after the survey was finished, he made some remarks from which I take the following extract:

The improvement of our navigable rivers is a subject worthy of very careful consideration, and I am glad that I have the opportunity to express to you, gentlemen, the warm sympathy I have as an American citizen for this present proposed undertaking, namely, the improvement of the Upper Monongahela from Morgantown to Fairmont by means of locks and dams.

About thirty-five years ago my father, W. Malnor Roberts, superintended the improvement of the Monongahela from Pittsburgh to Brownsville, as the company's chief engineer. I recollect hearing him say that upon the occasion of the opening of the slack-water navigation, he prophesied that before thirty years would pass by the demand for coal in the southern cities along the Ohio and Mississippi to the Gulf would be so great that at least fifteen million bushels of it would be shipped annually from the ports above Pittsburgh. \* \* \* His prophecy was ridiculed by some; but the facts showed that instead of fifteen million bushels being shipped from the Monongahela Valley, in 1870 the quantity was nearly ninety million bushels.

Gentlemen, I propose to follow in my father's footsteps, and attempt a prophecy also, and it is not so hard now in the light of experience, which is this: That in less than twenty years the shipment of coal from the Monongahela Valley will exceed three hundred and fifty million bushels per annum. Already there are engaged in the trade one hundred and twenty-five stanch steam tow-boats, and three thousand barges and boats, forming an aggregate of one million three hundred thousand tonnage, owned in Pittsburgh; a tonnage greater than all the rest afloat in the Mississippi Valley from the Gulf to the lakes, greater than the combined tonnage of New York and Boston, our great maritime centers.

After stating several other important facts, which I should with pleasure quote if time permitted, he proceeds to say:

As you West Virginians mine coal for about one-half of what is paid in Pennsylvania, I am firmly persuaded that it would pay to extend the slack water up to the eleven-foot vein between Morgantown and Fairmont. At least I shall certainly, in my report to Colonel Merrill, of the United States Engineer Corps, urge the extension of the slack water to Fairmont. It is only here, in my opinion, that it should terminate. Here, properly speaking, is the head of navigation of the Ohio River. Here there is an outlet to the seaboard over the grand-trunk line, the Baltimore and Ohio Railroad.

I have now presented to you as fully as I have deemed it necessary to do the claims of West Virginia to a fair participation in any system that may be adopted by Congress to improve the inland navigation of the United States. It is certainly within its constitutional power, as it is one of the highest duties of Congress to contribute its assistance to remove the obstructions which impede commercial intercourse between the States, and especially if any State be so situated that it cannot by its own means remove the obstacles that prevent this intercourse; and more especially if a comparatively small expenditure of money will add largely to the wealth, resources, and power of this Republic. I have shown that such is the condition of West Virginia. I have, I think, satisfactorily shown that no appropriation made by this bill to any improvement in the United States will be followed by more important and productive results than those which are asked on behalf of my State.

The State of West Virginia, although one of the smaller States of this Union, inland in her position, mountainous in her physical characteristics, and debarred from convenient access to the seaboard for the heavier articles of her commerce, she nevertheless possesses elements of wealth that must at some future day give her a prominent position in the sisterhood of States. It cannot be that in a country so distinguished for energy and enterprise these extraordinary resources can long remain hidden in the bowels of the earth. Already foreign capital has to some extent appreciated these bounties of Providence and has constructed across our territory two important highways, the Baltimore and Ohio Railroad through the northern portion of it, with one branch extended to Wheeling and the other to Parkersburg, and the Chesapeake and Ohio Railroad through the southern part of our State. But for the crushing financial crisis of 1873 we should have seen the Washington and Ohio Railroad and the Washington, Cincinnati and Saint Louis Railroad far advanced through the central counties of that State. When these highways are all finished we shall want but one additional improvement of that character to complete the railroad system of our State, and that is from some point on the Pennsylvania line, crossing the Baltimore and Ohio Railroad, pursuing the valley of the Elk River, and terminating at Charleston. No improvement can be suggested that would more effectually bind the whole State into one homogeneous mass than the one last mentioned. That sectionalism which naturally results from our mountain barriers would at once disappear, and an entire unity of interest and feeling would pervade every part of our State. So thoroughly satisfied was I, when a member of the State constitutional convention, of the importance of such a channel of intercourse between the southern and northern sections of West Virginia, that I was prepared, as a matter of State policy, to make it an exception to all the other limitations and prohibitions of the constitution, and to have vested in the State full authority to aid in the construction of such a road.

But, while no one appreciates the benefits and advantages of railroads more than I do, they cannot dispense with that class of improvements which it is the purpose of this bill to supply. For heavy articles like iron and coal no mode of transportation can compare in cheapness to that of water, and when, under the benign auspices of this Government, our rivers shall be cleared of their obstructions and made capable of floating upon their surface our rich products to market, we shall bid defiance to competition and feel that we are prepared "to stand up against a world in arms."

Emma Mine.

## SPEECH OF HON. C. G. WILLIAMS,

OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

May 25, 1876.

The House having under consideration the report of the Committee on Foreign Affairs in relation to the connection of General Robert C. Schenck, minister to the Court of St. James, with the Emma Mine—

Mr. WILLIAMS, of Wisconsin, said:

Mr. SPEAKER: The investigation of the connection of the American minister, General Robert C. Schenck, with the sale of the Emma Mine in London has been protracted and somewhat arduous, but on the whole, I think, impartial and complete.

The inquiry has taken a wide range, and a large amount of evidence has been received, some relevant and some irrelevant, some direct and positive, given under the sanction of an oath and subjected to the tests of cross-examination, and some resting wholly upon hearsay, and sustained only by the breath of private gossip or public scandal.

The limited time allotted to this debate precludes the possibility of any analysis of the case and affords only slight opportunity for general deductions and conclusions.

A volume of eight hundred and seventy-nine printed pages of testimony lies before me. I can only glance at its contents, without attempting to traverse the various fields of inquiry into which it leads. While it is absolutely impossible to do justice to the whole case within any reasonable time, the danger is that in so hasty a review injustice may be done to some of the parties connected therewith.

The Emma Mine, situated in the Little Cottonwood Cañon, twenty-seven miles southwest of Salt Lake City, in the Territory of Utah, was discovered some time in the year 1868 by Thomas F. Woodman and Robert B. Chisholm. In the fall of that year they invited James E. Lyon, of Wisconsin, a practical miner, to aid them in developing the property, giving him a one-third interest therein. The three worked the mine some few weeks, taking therefrom about seventy-five tons of first-class silver ore of the value of \$100 per ton, after which Lyon returned to the East and seems to have given the enterprise no further attention until June 1870, when, learning that Woodman and Chisholm, in connection with other parties, were taking large quantities of rich and valuable ore from the mine, he returned to Utah and demanded settlement, which was at first promised and then evaded or refused. From that hour the mine seems to have run the gauntlet common to all valuable mining property of adverse claimants, pretended owners, protests, injunctions, and law-suits, innumerable. Through all this litigation and trouble Ex-Senator William M. Stewart, of Nevada, acted as the attorney of Lyon.

In April, 1871, Trenor W. Park and General H. H. Baxter, of New York, purchased a one-half interest in the mine held by Woodman & Chisholm or their associates for \$375,000, and subject to Lyon's interest; and they subsequently purchased a one-sixteenth interest upon a valuation of \$1,500,000 for the entire mine. Upon this purchase litigation broke forth afresh, and continued until August of that year, when, under the advice of Stewart, Lyon entered into an agreement with the Emma Silver Mining Company, of New York, into which the interest of Park and Baxter had been merged, to the effect that Lyon would withdraw a protest which he had filed in the Government land office in Utah, allow the title to be perfected in said company, and the mine to be sold under the supervision of Park and Stewart, one-third of the proceeds of the sale to be deposited as security for Lyon to abide the event of the litigation, which was to go on to trial, and if at the expiration of three months any part of the stock should remain unsold, one-third of such unsold portion to be also deposited for Lyon's security, reserving to Lyon, however, the option to accept in lieu of the above, at any time before trial, one-eighth of the proceeds of the sale, first deducting therefrom the sum of \$1,500,000; and in case such one-eighth part, after such deduction, should amount to \$500,000 or more, Lyon to accept the same in full satisfaction and discharge of his demand.

Lyon and Stewart differ as to what this agreement or the litigation related to, Lyon claiming that it related not only to the mine in its then condition, but to the ore which had been previously taken therefrom, amounting, as he claims, to \$2,000,000, and that after deducting \$500,000 for expenses he was entitled to one-third of the balance, or \$500,000. He further claims that it was well understood by Stewart and Park that the mine was nearly exhausted; that it was not a mine of vein power at all, but a mere shell, pocket, or deposit; and that they virtually designed to perpetrate a swindle upon the English public in its sale. And he refers to the expression of Stewart in his letter of August 5, 1871, printed in the committee's report, where he says, "We will not be fighting for a worked-out mine." In confirmation of this view, Stewart, on the contrary, insists that the matter had no reference to the ore previously taken from the mine, as there was no way of tracing or reclaiming that or its value, but that it related to the mine in its then condition. And he thus explains the phrase "worked-out mine." Other parties were working the mine. Lyon had failed in restraining them. Remedies in the courts were inadequate or uncertain; the litigation might continue for years. And

hence it was better to obtain some tangible security, as they would not then be fighting, as they otherwise might be toward the close of the litigation, for "a worked-out mine." Stewart's compensation was to be one-fourth of the amount which should be realized by Lyon.

Pursuant to the above agreement Park, as the representative of the owners of the mine, and Stewart, as the attorney of Lyon, sailed for Europe in the month of September, 1871, to place the property on the London market.

Time forbids my going into the details of the negotiations which led up to the sale of the mine and ensnared General Schenck into connection with it. The following extract from the report of the committee will furnish the outlines:

The evidence shows that during the summer and up to this time extraordinary efforts had been made to produce a large yield of ore from the mine, and that the product of the four months from 1st May to 1st September (page 673) was much larger than it had ever been before or ever was afterward. All the rich ore produced was forwarded by steamers to England and there sold, and the large yield and value of the ore were well known to the mining world.

On their arrival in London, (pages 464, 465,) they were met by Mr. C. M. Fisher, an American lawyer, who it is testified had done a good deal of legal business for the American legation, and whom General Schenck had known in London prior to his appointment as minister.

Fisher introduced Park and Stewart to Coates & Hankey as a firm desirous to purchase the property. A contingent arrangement was made with this firm, which subsequently fell through, but resulted in the introduction by them of Park and Stewart to Albert Grant, of the firm of Grant & Co., of London, well known for their success in bringing out, or "floating," as it is called, new companies upon the English market. After some negotiation, covering the month of October, 1871, Albert Grant agreed to take up the enterprise.

The contract with Grant & Co. is given at length in the evidence, (page 252.) It provides that the property shall be capitalized at £1,000,000, half of which is to be offered to the public at par in £20 shares, and the other half of the shares are to be retained by the vendors for nine months unless Grant & Co. should consent to their sale at an earlier date. Grant & Co. were to receive as compensation for "promoting" the company 30 per cent., equal to £300,000, on the sale of the first half of the shares, and one-half of the profits realized upon the sale of the second half retained by the vendors. Grant & Co. were authorized to "sustain the market" pending the allotment by the purchase of shares at a premium for the account of the vendors.

Thereupon a prospectus, dated November 9, 1871, (pages 69-74,) was issued, inviting proposals for the stock from the public until the 16th of November, when it appears that shares were applied for largely in excess of the whole number advertised to be sold.

The prospectus contains a very full statement of the property sold and the resources in hand available for cash dividends, affirming that these are sufficient to warrant cash dividends at the rate of 1½ per cent. per month for twelve months.

In addition to these resources, the prospectus asserts that "the mine includes about 13,250 tons of first-class ore already developed in various parts of the mine, and described in Professor Silliman's report of the estimated net value of \$357,750.

The prospectus then states: "From the above arrangements and details will be seen the extraordinary character of the property that will be acquired by the company, and in what a totally different character the Emma Mine stands to almost every mine in which the public have been allowed to participate by subscription."

For this statement every director, including the American minister, was responsible, so far as his character and judgment were concerned.

If this statement had been true, then the resources "already developed" were sufficient for two years' additional dividends at the rate of 18 per cent. per annum, thus securing from both sources to the stockholders 54 per cent. of the purchase-money, without any further product whatever beyond the reserves already developed.

The evidence shows (page 696) that dividends at the rate of 1½ per cent. per month were paid for thirteen months consecutively, until December, 1872, since when no dividends have been earned or paid, and there is no money on hand out of which they can be paid, and there is no ore in sight which can be mined, all the ore in the old workings having been absolutely exhausted, and no new ore developed by the subsequent explorations. Of the dividends paid, \$36,000 were advanced on sales of ore by Mr. Park, (pages 554, 658,) who is now suing the company for a balance of about \$25,000 thereof, so that the net amount of earnings actually divided was \$170,000.

On inquiry by the committee, Mr. Park professed his inability to account for the disappearance of the reserves, alleging as a reason that he had been refused access to the mine, and no satisfactory (page 657) evidence was presented to the committee as to what had become of the remainder of the available resources, estimated in the prospectus to be of the total value of \$539,050, or of the large quantity of ore which ought to have been found during the years 1872 and 1873, during which mining operations were steadily prosecuted. The result is that the shares have greatly depreciated in value, having fallen from £38 per share, at which they were sold May 11, 1872, to £15s., at which they are now quoted.

The above furnishes but a faint sketch of the negotiations and counter-negotiations, the criminations and recriminations, of the various parties connected with this unfortunate enterprise. Suffice it to say that the following are some of its general features and results: There was paid to Mr. Albert Grant, the promoter of the mine, and who launched it upon the English public, the sum of \$500,000, beside certain other profits; to the banking-house of Jay Cooke, McCulloch & Co., \$125,000; for the use of the name of Mr. Puleston, one of the firm, and the privilege of depositing the proceeds of the sale with them; to Professor Silliman, for visiting Utah twice and examining and reporting upon this mine and others, \$25,000; to E. Bridges Williams, a member of Parliament, one of the English directors of the Emma Silver-Mining Company, and a smelter of Cornwall, for visiting Utah and reporting upon the mine, \$25,000.

It has been asserted—and I think the evidence confirms the truth of the assertion—that there was advanced at least \$1,000,000 in placing the mine upon the market. Mr. Park paid for a half interest in the mine the sum of \$375,000 and for one-sixteenth interest \$93,750.

He received as his final profit from the investment and enterprise not less than \$3,000,000. Mr. Lyon received \$200,000 in full for his interest, and Senator Stewart, his attorney, received \$275,000 in all.

General Schenck made \$10,000 from an independent investment in

the shares of the company in the space of about ten days, and some time thereafter in another like investment lost that amount, together with \$16,000 in addition thereto, and stands to-day, notwithstanding dividends received upon his stock, at least \$32,000 worse off in the world pecuniarily than if he had never heard of the Emma Silver-Mining Company (limited) of London, while the British public stand relieved of the handsome sum of \$3,700,000!

Such, Mr. Speaker, are some of the characteristics and such some of the sad results of this unfortunate enterprise. Through what means were they accomplished and who are responsible for them? Prominent among the latter the committee have felt compelled to place General Schenck, though they gladly acquit him of any intentional wrong.

But, sir, there are others who must bear their full share of responsibility. Professor Silliman, on account of his known high character, was selected by the English people to examine and report upon the mine. His report is dated October 16, 1871, in which he says:

In the aggregate the amount of silver-ores removed from the great chamber is about 25,000 tons, of which eight thousand are second class; and its money value in silver and lead is stated at over three and a half million dollars, independent of the reserves and late discoveries of new ore-masses presently to be described.

In a supplemental report, dated February 29, 1872, he says:

Upon these data we conclude that the body of ore, of all grades, now standing in the new exploration will reach fully 24,000 tons, (of two thousand pounds,) one-half of which will probably fall into the rank of first-class ores.

These two estimates, Mr. Speaker, would carry the value of the mine well toward \$7,000,000; and connected with the following statement, contained in his original report, and which was copied into the prospectus, would go far toward convincing the English public that this was a mine of exceeding great richness and value. He says:

These several facts in my opinion establish beyond all reasonable doubt the conclusion that the Emma is a true mineral vein of great power, and place it in the category of the great mines of the world.

In justice to Professor Silliman it should be stated that he has appeared before the committee, and he, as well as other mining engineers eminent in their profession, has expressed the opinion that the Emma Mine is a mine of true vein power, and that future explorations will develop the fact of its great richness and value. This, however, hardly bears upon past estimates based upon actual explorations. In April, 1872, Professor Silliman joins Williams and Henry in a telegram sent to London from the mine, in which are the following statements:

Very great improvements since last report. On seventh floor drifted 150 feet, and tenth floor 40 feet, all in ore. At bottom winze, 70 feet below old workings, drifted 40 feet, all in ore. Sample assays 28 per cent. lead and \$2,000 silver. Reserves discovered since last report, over 8,000 tons. Everything connected with the mine is highly satisfactory.

Mr. Park testifies that Williams's report "shows that the new explorations have developed some 80,000 tons of ore beyond the quantity mentioned in Professor Silliman's report." And Williams writes from Salt Lake City, February 28, 1872:

I have no doubt that there is ore enough discovered within the last four months to pay two years' dividends, without touching the reserves.

Mr. Park, at the first meeting of the share-holders in London, March 7, 1872, said:

Now as to the future. Mr. Williams's report says we are taking out forty tons a day, and can largely increase it if desired. It is not desired. We can save £10 a ton, or 12 per cent. dividend if we can smelt these ores there. In other words, it costs £10 a ton to transport them here. I am satisfied the ores can be smelted there. Mr. Williams, being a smelter, and having smelted these ores, can form a judgment; therefore we do not desire to send any more over, because we are losing £10 a ton on every ton if they can be smelted there.

There can be taken from that mine one hundred tons a day, and never has a mine been worked in the way this mine is worked and given out. I am satisfied the ore will hold out; and if I had a guarantee I would hold out as long as the ore will, I would not want a better life insurance.

The shares are held by eighteen hundred shareholders, and people who do not want to sell need not mind these stories, but still they do not like to see their property depreciated; and in order to get the quotation, I am willing to sell enough shares to reduce the vendors holding down to a third, if it can be done at a proper time and I can get a proper price; but when I took these shares I believed, and do believe, instead of these shares being worth £20 a share, they are worth £40. That is my judgment. I may be entirely mistaken; but I shall certainly hold shares until they go to £40. No man is always going to hold 25,000 shares. I represent fifteen different parties, and some of them are willing to sell at such a price as I am willing to sell at. When we get Mr. Williams's report and Professor Silliman's report, I shall make such an arrangement as is proper to sell part of my shares so that our exchange may be obtained. [Cheers.]

Whereupon the following proceeding occurred:

The CHAIRMAN. May I conclude the shareholders are now satisfied they are holders of shares in a really satisfactory mine, and instead of their standing at £22 in the market they ought to stand at £40 or £50? It has been a great satisfaction to the directors to receive these recent reports, because every one of us have suffered very severely from the adverse statements we have had to submit to. I hope there is an end of them, and that the company will go on in a satisfactory way in the future.

A SHAREHOLDER. I beg to move the thanks of the meeting to the chairman and directors for their full and frank explanation of the affairs of the company.

Sir, the irony of all this can be best appreciated by those who now hold shares in the Emma Silver-Mining Company (limited) at £15s., including General Schenck himself, who still holds his original four hundred and seventy-five shares.

Mr. Speaker, this cursory narrative, already too long continued, only illustrates again, for the thousandth time, the nature, course, and



probable results of the kind of enterprise with which General Schenck was asked to connect his name and lend the influence of his official position, and in that connection is perhaps only material to this inquiry.

It is not pretended that General Schenck knew in advance that these results would follow. He fully believed that this was a rich and valuable mine, and that large returns would come to the English shareholders as well as himself from the investment. He scrutinized the title papers with becoming care, and critically examined the statements and reports presented to him. That he was guiltless of all fraud or fraudulent intent, the committee have cheerfully and unanimously found.

Wherein, then, consisted his error? His own first impulse gave the true answer. He says in his testimony:

It was suggested to me, perhaps first by Mr. Stewart, but by either Park or Stewart, that I ought to be one of the managers of the company. I at first demurred to any such idea.

He says arguments were presented which seemed plausible—

But I still objected; and I placed my objection first upon the ground that I doubted the propriety of my having anything to do with the management of a company while I was there in a representative capacity.

He was assured that members of Parliament, honorable gentlemen, would be his co-directors.

O, sir, how unfortunate that the American minister could not have remembered at that precise time—for surely he must have read it—that matchless description of Dickens, where Ralph Nickleby, the great London promoter of that day, organized the “United Metropolitan Improved Hot-Muffin and Crumpet-Baking and Punctual-Delivery Company, capital five millions, in five hundred thousand shares of ten pounds each.” [Laughter.] “Why the very name,” exclaims Bonney, “will get the shares up to a premium in ten days.” “And when they are at a premium,” said Mr. Ralph Nickleby, smiling—“When they are, you know what to do with them as well as any man alive and how to back quietly out at the right time,” said Mr. Bonney, clapping the capitalist familiarly on the shoulder.

Ralph declared that he must have a live member of Parliament; and the ever-smiling Bonney exclaimed, “My dear Nickleby, Sir Matthew Pupker takes the chair and three members of Parliament are positively coming!” [Laughter.]

Mr. Speaker, General Schenck tells us somewhere in his testimony that Park seemed to take a great fancy and liking to him, and always treated him with great liberality and kindness.

Ah, sir, when will our public men, not only at foreign legations but in these very Halls and elsewhere, learn that promoters of their own private interests do yearn toward eminent men in official station with a love even like the yearning love of a mother for her first-born?

When Mr. Park, on a few days' acquaintance, offered to loan General Schenck \$50,000 for one year, without interest, on his own individual note, and agreed to guarantee 2 per cent. a month on that amount for one year, or, in other words, 24 per cent. on his own indebtedness, without interest, is it not to be regretted, and I doubt not General Schenck regrets to-day, that he did not obey his first impulse? He doubted, hesitated, and, as the report states, it was unfortunate that he did not counsel with representatives at other legations and consult with the State Department at Washington. But his confidence in the enterprise was such that while he hesitated he seemed to think there could be no risk in the investment.

Sir, that was a most unfortunate mistake. There can be no certainty in stock-promoting enterprises; as some of these experts have testified, there is no certainty of the value or resources of a mine, except as you see the ore at the end of the pick.

Mr. Park himself writes General Schenck, May 24, 1874, in explanation of his part in the transaction, concluding as follows:

I understand, as all intelligent persons do, that mines are uncertain property, and do not always turn out as well as they promise; but that does not prove anything against a vendor of the mine. I wonder if the English gentlemen who are so unsparing of their abuse of Americans would have felt called upon to make further payment to the vendors if the mine had turned out better than it promised to.

This, sir, is the whole matter in a nutshell.

How much better would it have been had General Schenck, when thus approached, obeying his first impulse, replied as follows: “Of course I can have nothing to do with this business; my position here utterly forbids it; I am the American minister, accredited to the leading court of Europe; I am the representative of the American Republic, a Government ordained to teach the world simplicity, purity, and high honor in the administration of public affairs. The enterprise you propose is hazardous. Connect my name, and the influence which my official position gives, with it; throw the whole upon the ups and downs of the leading stock market of the world, and the enterprise lands where I can neither control it nor withdraw the influence, nor repair the injury which it may work.” Let him have said this. No, Mr. Speaker, let him not have said this, but let him have drawn from the chambers of his own capacious brain terms to express the tendencies and improprieties of an act which my feeble language can only suggest, and he would have drawn a circle as of fire around the American legation in London which would stand as a warning for all coming time that stock pools, speculators, and promoters of hazardous enterprises generally were not wanted there.

Sir, let this rule be observed inflexibly, let a delicate sense of appreciation and a high tone of honor go with these great trusts, and our

foreign missions will stand unchallenged, high, pure, and commanding, even as the hopes, aspirations, and bright ideals of the people of the future destiny of the Republic.

But, sir, while we regret that General Schenck was drawn into this unfortunate error, let us not seek to make him the scape-goat to bear away into diplomatic disgrace all the woes that we have fallen heir to. We do not forget, and we cannot forget, that within the last few years occurrences of this nature have become altogether too common. They are confined to no party, to no locality, to no class. But it is idle to talk longer about public virtue and popular intelligence being the main props and stays of representative government if official influence and power can be farmed out and bartered in the political market, while offices of trust and honor are knocked down to the highest bidder. Within the recent past enterprises have been brought to the doors of this Capitol, and the object boldly avowed of ensnaring the interests of members of Congress with a view to warp their judgments upon matters liable to come directly before them for legislation.

Some of our noblest men in public life have been embarrassed by these schemes, while others have been drawn down into the vortex of irretrievable ruin. Sir, you may call it simplicity, demagogism, verbiage, or what you will. If there is any one thing which the American people are determined upon to-day it is that these things shall cease; that in what party or wherever found they shall be utterly extirpated root and branch. If General Schenck's misfortune has furnished a painful reminder of these abuses let it not be claimed that his case presents the most flagrant phase of them. Remembering our common weaknesses, foibles, and misjudgments, if we must condemn, let it be done in sorrow rather than in anger. None but the savage brandishes the tomahawk over the head of a suffering victim, and none but a ghoul will sit squat at the ear of the public press distilling poison which can only carry distress to the heart and darkness to the household. While the people condemn misconduct in official life, they despise as journalists themselves despise these harpies and magpies of the times. No, Mr. Speaker, if we find ourselves growing censorious and misanthropic, let us go again into the old Senate Chamber yonder and listen once more to the voice of that great soul still saying and sounding down the ages:

I thank God, if I am gifted with little of the spirit which is able to raise mortals to the skies, I have none, as I trust, of that other spirit which would drag angels down.

Sir, if partisanship cannot palliate, so partisanship should not seek to persecute. I join with the gentleman from West Virginia, [Mr. FAULKNER,] my colleague on the committee, in the congratulation that we have been able to agree to a unanimous report; for, while the phraseology and some of the inferences are not in all cases what the republican members would have employed or suggested, yet the general conclusions express the unanimous opinion of the committee. And let me say to our democratic friends on the other side of the House that while we unite with you in condemnation of the error of General Schenck it is we who claim the right to chide, and we claim it because the republican party remembers its origin, its traditions, its high standards, its record, its achievements, its responsibilities, its hopes, and its future, and renews its determination to carry the banner of republicanism still higher, and hold all its votaries to strict accountability.

But, while we condemn General Schenck's error, we do not forget that he promptly resigned his directorship at the instigation of his Government, and offered to throw up his mission also if his continuing longer would cause it embarrassment; that he is sacrificing every dollar of his property and putting forth every effort in his power to reimburse individuals who have suffered loss on his account, declaring, if God spares his life, they shall be indemnified to the last dollar.

Nor do we forget, Mr. Speaker, what this House and the country can never forget, that when only a few years ago hostile guns were trained on this Capitol building for its destruction, and the Dome which stands over this marble pile was to have been the target for artillery planted on yonder heights; when infuriate hands would rend the flag of our common country and tear its Constitution to shreds, General Schenck was among the first to draw his sword and bare his breast to the storm, helping to roll back the tide of rebellion which would whelm us in one common ruin.

Remembering these things, and standing here together to-day protected by that same Government which could not be destroyed, and professing to love it and to love one another as our forefathers did one hundred years ago, if we must condemn, let us see to it that it be done with becoming modesty.

Sir, if we do not forget the gallantry of General Schenck, so we cannot forget his eminent public services. When the roar and tumult of war had passed, and the reconstruction acts and kindred legislation were pending before Congress, it was in this very Hall that his great intellect bore away, and here that he moved men as by the magic of imperial power. Here he helped to remodel and rebuild his country's shattered institutions, and under this roof he rounded out the record of an illustrious career.

Again I repeat, that while we unite with the opposition in condemning his connection with the sale of the Emma Mine “as ill-advised, unfortunate, and incompatible with the duties of his official position,” and as something which we hope never to see repeated, we still bespeak for him, what we doubt not he will receive, the lenient judgment of the American people.

## Railroad Combinations and Discriminations.

**SPEECH OF HON. JAMES H. HOPKINS,**  
OF PENNSYLVANIA,  
IN THE HOUSE OF REPRESENTATIVES,

May 29, 1876,

On the subject of railroad combinations and discriminations.

Mr. HOPKINS. Mr. Speaker, I derogate nothing from the magnitude of any of the subjects which have been presented for our consideration when I claim that the bill to prohibit discriminations by common carriers is second to none in universal and practical importance.

Favoritism under all circumstances is obnoxious to the general public. When practiced by corporations enjoying special privileges under the law it is peculiarly odious. When those corporations are powerful and wealthy, it is apt to become tyrannical and oppressive.

When prosperity abounds, when business is active, when men are absorbed by the imperative demands of trade they pay little heed to the greater facilities which their neighbors may enjoy. While manufacturing and commerce are fairly remunerative, unequal burdens may be borne without complaint. But when profits dwindle away, when trade languishes, when capital is idle, when industry is unemployed, men apply their thoughts to learn every cause of depression and eagerly seek redress for every wrong. In the severe school of the last few years many harsh and unwelcome lessons have been learned. Some of those who, despite the panic, might have struggled on through depression and gloom have found that they were crushed beneath the superadded burdens of others. Against this inequality the masses of the people have indignantly protested, and have called upon us for a measure of relief.

Of all communities smitten by the simoom of 1873 none was more severely scorched and withered than that which I represent upon this floor—a people whose capitalists are renowned for their proverbial industry and conservative energy; for their substantial wealth and for their steady prosperity; and whose artisans stand in the front rank of skilled, intelligent, and honest workmen. To that people nature has been very lavish of her bounties, giving them at their very doors coal and iron and oil, offering the most generous inducements to capital and labor to convert the crude materials into a thousand forms of usefulness and beauty. That great center of manufacturing facilities, stimulated by the suggestions of nature, grew into a large, busy, and prosperous city. But desolate rolling-mills, furnaces out of blast, refineries dilapidated, machinery idle, hundreds unemployed, and none so busy as the bankrupt courts, presents a sorrowful contrast with former years. Much of this gloom results from causes beyond legislative control. But part of it is due to the arbitrary and unjust imposition of corporations, from which relief is sought by those who have survived the financial crash and have stood up bravely in an unequal contest.

During the past few weeks I have received and presented to this House petitions from hundreds of citizens of Pittsburgh asking for the passage of this bill. The chamber of commerce has memorialized Congress upon the subject, and the laboring-men have held meetings to declare their great interest in this measure.

What is true of Pittsburgh is true of many other places; and between citizens of the same place there are many cases of unjust and onerous discrimination which cry out for redress. In presenting the grievances of my constituents I feel assured they are but the counterpart of those of other localities, and in speaking against the wrongs with which I am most familiar, I speak for all who have experienced the same unfriendly policy.

Mr. Speaker, I desire to show this House some of the evils complained of and their disastrous results, and then to urge such remedy as it may be in our power to bestow.

The discovery of petroleum in Western Pennsylvania rapidly developed into one of our most important elements of industry and wealth. The oil-producing region extends to within thirty-five miles of Pittsburgh, thus making that city the most convenient and natural point for refining and shipping. Trade, uninfluenced by extraneous circumstances, suggests its own best line of travel. And so the oil traffic chose Pittsburgh as its distributive point. At one time there were over sixty refineries there, employing a large amount of capital and a great many busy hands. Now scarcely one-third of that number are in operation, and of that third fully one-half are unremunerative. The demand for oil has not decreased, but on the contrary it is continually finding new uses and new markets throughout the world. Its manufacturers have lost none of their energy or skill; and yet they have seen this stream of abundance and affluence drying up before their eyes; or, to speak more accurately, they have seen it, by forced and unnatural means, diverted from its course, and their works left dry and idle on the beach. Most of this great trade has been turned backward to find its starting-point for foreign shipment one hundred and forty miles farther from the sea. The sufferers from this harsh process affirm that it has been brought about by an unlawful combination and by the most oppressive discriminations against them. Certain it is that no other explanation has been given or can

be imagined for this extraordinary fact, for this extreme departure from the natural law of commerce.

To those unfamiliar with the extent of the oil business it may seem like giving it undue importance to refer to it as fully as I propose to do. But let it be remembered that this is one of the great elements of national wealth, one of the chief articles of export, one of the main supports of our shipping interests, and a leading source of supply of foreign exchange. Let it be remembered that in 1875 we exported 217,000,000 gallons of oil, bringing to this country in return \$30,000,000. Let it also be remembered that this has become the poor man's light throughout this country.

I cannot better illustrate the magnitude of the petroleum business properly belonging to Pittsburgh, the extent of its influence upon other industries, and the disastrous effects of an adverse policy, than by quoting from a report recently made to the Chamber of Commerce of that city:

Your committee appointed to obtain statistics in relation to the petroleum-oil business of this district report as follows:

There are twenty-one oil refineries idle, owing to freight discriminations and combinations.

Over \$2,000,000 are invested in the construction of the same.

The refining capacity of the twenty-one refineries is about 58,000 barrels of refined oil per week.

There will be required for this capacity, including the benzine product, the consumption per week of over 60,000 barrels, giving employment per day to 1,600 men.

Sixty thousand bushels of coal, giving employment per day to 100 men.

Three hundred tons of hoop iron, giving employment per day to 325 men.

Two hundred and ten tons of sulphuric acid, giving employment per day to 105 men.

Fifteen tons of glue, giving employment per day to 60 men.

Seven tons of paint, giving employment per day to 5 men.

Ten thousand dollars' worth of chemicals, giving employment per day to 5 men.

Also requiring at the oil refineries 800 men, making an aggregate of 3,660 men directly unemployed, to which may be added a large number unemployed directly and remotely connected with the various branches of business enumerated above, as well as numbers of carpenters, masons, bricklayers, boiler-makers, pump-makers, and various other trades, who would have employment and profit if the oil-refining business was in a prosperous condition.

The direct loss to our community in the unprosperous condition of this business cannot be estimated with any degree of precision; but that it is a very large loss cannot be denied when it is considered that petroleum is the third article in magnitude of the exports of this country, and that the largest part of this business properly belongs to this city and vicinity by reason of geographical position and unequal facilities for cheap work and fuel. If these oil refineries were in operation as they have been in the past, and it is self-evident they would be now except for railroad discriminations and combinations forcing the business out of its natural channel, it would put in active circulation the sum of \$600,000 per week, for oil is a cash article and paid for as soon as delivered for export.

In view of these facts, Mr. Speaker, is it a matter of surprise that those whose judicious investments have proved ruinous, those whose honest enterprises have been crushed, those whose means of livelihood have been taken away should with united and earnest voice demand relief?

I do not propose to suggest or discuss the motives which prompt the turning of trade hundreds of miles out of its usual and regular channel. I simply state the uncontroverted fact, drawing no inference except the apparent one, that a great wrong is done to legitimate commerce which we can and should redress. In 1873 the receipts of crude oil by rail at Pittsburgh amounted to about 1,500,000 barrels. In 1875, under the policy complained of, only about 550,000 barrels were received. During a few weeks of the present year, while Pittsburgh received but 22,000 barrels, 122,000 barrels were delivered at Cleveland. From Cleveland this same oil can be and is shipped to the seaboard, part of it directly through Pittsburgh, at a lower rate than is charged the Pittsburgh shipper who may not be of the favored few.

Another fact developed within the past few weeks: Those who have been denied equal facilities and equal rates over the roads running directly east have discovered that they can carry their oil some three hundred miles down the Ohio River and ship it from Huntington over the Chesapeake and Ohio road to Richmond, a distance of four hundred and twenty-one miles, at fully one-third less than they would be required to pay over either of the direct lines; and many thousand barrels have been already shipped by that circuitous route. Why impose upon the owner this increased danger and increased care? Perhaps no product can be transported by rail with less expense or trouble to the carrier. It is therefore apparent that the carriage of oil is not objectionable. In fact it was the subject of lively competition, which preserved reasonable and impartial rates until monopolies bargained for, and are striving to secure, its absolute control. The same thing was attempted once before; and the records of this House show the extent and the power of the combination which then had wound its coils around individual enterprise and industry, and had well-nigh crushed their life out, when the people arose in their majesty and throttled the monster. But now it seems they "scotched the snake, not killed it." A reference to that record will serve the triple purpose of presenting in an authentic way the fact, the method, and the effect of these combinations by common carriers.

Early in 1872 the oil-producers were startled by an announcement that their rates of freight were immediately to be doubled. Every indication pointed to a powerful and extensive combination to seize upon and monopolize the oil traffic by driving individual enterprise into bankruptcy or by forcing it to surrender. Excitement, indignation, and alarm spread throughout the producing region. Public meetings were held; protective associations were formed; a congressional investigation was instituted, and the facts elicited have now the verity of history. It was proved that all of the railroads lead-



ing from that section had combined with each other and with another corporation called the South Improvement Company, looking to the absolute control of that vast industry and the arbitrary parceling out of its profits among themselves. The original articles of agreement were produced, the parties thereto were sworn, and all the details of the arrangement were disclosed. The possibility of individual interests being thus smitten to the ground and trampled upon by a reckless monopoly filled the people with terror. If the oil trade could thus be swallowed up, why not the iron, the cotton, the glass, the sugar, the breadstuffs of the country? So vehement and angry was the popular clamor that these powerful railroad companies were compelled to cancel their compact, and the Legislature was forced to repeal the charter of the South Improvement Company. The excitement then abated, business resumed its natural flow, and the then contemplated regulation of commerce was abandoned under the vain hope that that trouble was forever ended. But it is believed and charged that the present mischief is wrought by the self-same means. Certain it is that, now as then, those not in the charmed circle are being driven to the wall by the most unfair and remorseless discriminations.

Mr. Speaker, it is not oil alone which has felt the disastrous effects of the policy of unfairness which this bill seeks to correct. Nor are these discriminations confined to east-bound freight.

No city produces a better article of white lead than Pittsburgh, and purchasers recognized the fact by their large purchases. In 1874 one manufacturing firm sold 12,000 tons. In 1875, this same firm sold but one thousand tons, because the freights upon this article were much less from a city farther east.

The manufacture of glass has been one of our largest industries, but how long it will continue so, may be imagined when you know that its dealers are charged forty cents per hundred pounds to Chicago; while the same article can be, and is carried more than three hundred miles farther at one-half the cost.

Iron, one of the chiefest elements of our substantial wealth, which by its multiform industries has done so much for the growth and prosperity of our city, which has given employment to thousands of operatives and to millions of capital, has experienced the same ruthless treatment. All of the natural advantages which have made that city the American Birmingham are nullified by the partiality of common carriers. The competition between manufacturers at different points is always active, and an advantage of freight rates may at any time put out the fires in the mills of one locality and give those elsewhere a double duty. And so it has been found that merchants have turned away from the Iron City, not because the prices and the articles were not satisfactory, but because the freights were lower from a much remoter market.

In further illustration of this policy I refer to the article of flour; and this argument is felt at every fireside; and every item of increased cost is seriously felt by the toiling millions of the land. Depression in wages and increased cost of living in any locality come with a peculiar hardship to those unable to move to a more favored place. They are compelled to struggle with the adversities which confront them; and even a slight increase in the cost of the necessities of life is of more moment to them than thousands of dollars to the wealthy class. The poor men, of all others, are entitled to protection from unnecessary burdens, and all discriminations which affect them are not only unnecessary, but especially unjust. By a recent schedule Pittsburgh dealers were required to pay a much higher rate of freight on flour than any of those in seaboard cities; and at all times our people are at a serious disadvantage in this regard.

I need not multiply illustrations. I have certainly given enough to justify the earnestness of my constituents in pleading with Congress for relief from the unequal and unfair burdens which they have too long been compelled to bear.

I have said, Mr. Speaker, that the grievances which I have recited are not peculiar to Pittsburgh. They are felt everywhere. Sometimes whole communities feel them; sometimes special branches of industry; sometimes only a portion of those in the same place engaged in the same business. All of which demonstrates the fact of favoritism, and of uncertainty which is in itself an incubus upon business. The board of trade of Cleveland have recommended the passage of the bill under consideration, and representative men from that city, from Titusville, from Baltimore, from Philadelphia, from New York City, have been before the Committee on Commerce urging Congressional action.

An able article in the New York Journal of Commerce, advocating Government supervision of railways, gives this strong illustration not only of exorbitant but of unequal charges:

If a merchant desires to ship one hundred pounds of goods from New York to a local station on the Pacific line, say Winnemucca, which is four hundred and sixty miles east of San Francisco, they charge him first the through rate to San Francisco, \$6, and then, in addition to that, the local rate from San Francisco back to Winnemucca, \$2.25, making \$8.25 per one hundred pounds.

There is scarcely a gentleman upon this floor who does not represent constituents at least to some extent similarly affected. The evil being so general and its effect so grievous, why should Congress refuse to interpose? It cannot be for want of jurisdiction over the subject-matter; for I think I can conclusively show by precedent that Congress has exercised as full control as it is here asked to assume, and by well-established authority that its powers in that direction are supreme.

In 1866 an act was passed authorizing railroads of one State to connect with those of another State in order to form continuous lines of travel and to carry over and upon its roads, ferries, and bridges all manner of freight. Here was direct legislation upon the subject of interstate commerce; legislation which asserted the power of Congress as against State Legislatures which had prohibited certain railroads to form connections and to carry through freight.

On the 24th of January, 1872, this House by a unanimous vote directed the Committee on Commerce to inquire "whether the commerce among the several States of this Union is injuriously affected by any inadequacy in the present amount of land transportation or by any combination or monopoly in the control or ownership thereof, or by means of any existing or inequitable rates of freight or fare charged by common carriers, or by means of other improper burdens or restraints imposed upon such commerce by such carriers."

A few weeks later in the same session a resolution was passed without a word of opposition which still further asserted the complete power of Congress over such commerce. That resolution was as follows:

*Resolved*, That the Committee on Commerce is hereby instructed in carrying out the resolution of the House of January 24 last, directing certain inquiries by them concerning injuries to commerce by reason of combinations or monopolies in control or ownership of the present means of land transportation, particularly to inquire into the nature, extent, and object of an alleged combination of railroad interests known as the South Improvement Company, alleged to be designed to control all the existing avenues of transportation from the oil regions of Pennsylvania to the seaboard, to the oppression and injury of the producing classes.

Still later and fuller recognition of this power was shown by the passage of a bill in this House on March 28, 1874, providing for the appointment by the President of a board of railroad commissioners, who should have power to prescribe schedules of charges for carrying freight and passengers; and the violation of such schedules was to be visited with the severest penalties.

In 1873 an act was passed prohibiting railroad companies engaged in carrying live-stock between States from confining such stock in the same cars longer than twenty-eight consecutive hours without water, food, and rest.

Further in the line of precedents asserting the jurisdiction of Congress over interstate commerce, I refer to the appointment by the Senate in 1872 of a select committee "to investigate and report upon the subject of transportation between the interior and the seaboard," a committee which held its sessions in different parts of the country for a period of two years, and prepared a most elaborate, exhaustive, and able report.

These precedents are so abundantly sustained that it seems difficult to find foundation for a doubt of the power of Congress to pass the bill under consideration.

The powers specifically delegated to Congress are enumerated in section 8 of article 1 of the Constitution, and among them is the power—

To regulate commerce with foreign nations and among the several States.

Section 9 of the same article declares, in the list of prohibited powers, that—

No preference shall be given by any regulation of commerce or revenue to the ports of one State over those of another; nor shall vessels bound to or from one State be obliged to enter, clear, or pay duties in another.

These two clauses are the basis of the authority sought to be exercised by the pending bill. The one shows the unquestionable power of Congress over interstate as well as foreign commerce, while the other indicates with equal clearness that there should be no abuse of that power, no discriminations for or against any locality; but that every regulation which Congress might make should be governed by justice and equity.

It is needless to refer to the commercial troubles experienced while the Union existed under articles of confederation, and which prompted the States to surrender this exclusive control to Congress. Here we find the power given "to regulate commerce;" and if any doubt exists as to the full meaning of those words, it will easily be removed by an examination of the judicial interpretation they have often received.

In Martin's Summary of the Law of Nations it is said:

Commerce consists in selling the superfluity; in purchasing articles of necessity, as well productions as manufactures; in buying from one nation and selling to another; or in transporting the merchandise from the seller to the buyer to gain the freight.

In the great and leading case of *Gibbons vs. Ogden*, 9 Wheaton, 193, Chief Justice Marshall discusses this question in all its bearings, and with his usual power sets at rest all doubts or misgivings. He says:

The word used in the Constitution then comprehends, and has been always understood to comprehend, navigation within its meaning; and a power to regulate navigation is as expressly granted as if that term had been added to the word "commerce." It has, we believe, been universally admitted that these words comprehend every species of commercial intercourse between the United States and foreign nations. No sort of trade can be carried on between this country and any other to which this power does not extend. It has been truly said that commerce, as the word is used in the Constitution, is a unit, every part of which is indicated by the term. \* \* \* Commerce among the States cannot stop at the external boundary-line of each State, but may be introduced into the interior. \* \* \* Can a trading expedition between two adjoining States commence and terminate outside of each; and if the trading intercourse be between two States remote from each other, must it not commence in one, terminate in the other, and probably pass through a third? The power of Congress then, whatever it may be, must be exercised within the territorial jurisdiction of the several States. The sense of the nation on this subject is unequivocally manifested by the provisions made in the laws for transporting goods by land between Baltimore and Providence, between

New York and Philadelphia, and between Philadelphia and Baltimore. We are now arrived at the inquiry, what is this power? It is the power to regulate, that is, to prescribe the rule by which commerce is to be governed. This power, like all others vested in Congress, is complete in itself, may be exercised to its utmost extent, and acknowledges no limitations other than are prescribed in the Constitution.

Story, in his Commentaries on the Constitution, volume 2, section 1064, sums up his review of the decisions upon this clause in these words:

It may, therefore, be safely affirmed that the terms of the Constitution have at all times been understood to include a power over navigation as well as trade, over intercourse as well as traffic.

The same definition, more minutely expressed, is found in the opinion of Justice Johnson in the case just cited:

Commerce, in its simplest signification, means an exchange of goods; but in the advancement of society, labor, transportation, intelligence, care, and various mediums of exchange become commodities, and enter into commerce, the subject, the vehicle, the agent, and their various operations become the objects of commercial regulation; ship-building, the carrying trade, and the propagation of seamen are such vital agents of commercial prosperity that the nation which could not regulate over these subjects would not possess power to regulate commerce. (9 Wheaton, page 229.)

The only limitation upon this comprehensive and absolute power is that "no preference shall be given by any regulation of commerce." So far from that being an objection to the bill under consideration, the very purpose sought to be accomplished by this regulation of commerce is to break up and prohibit the most arbitrary and unjust preferences, which have grown into a system, because of the failure to provide adequate penalties. It is not pretended that the discriminations complained of are authorized by State law. There is no conflict between Federal and State law upon this subject. The wrongs sought to be remedied are in violation of the common law as to common carriers; and cannot be defended upon any ground whatever.

These preferences are shown, these discriminations made by corporations, the creatures of law; and it needs no argument to show, that the creature cannot exercise more power than the creator. The States themselves, which gave life to these corporations, with all their power could not impose such burdens upon interstate and foreign commerce nor grant such special privileges to any portion of such traffic.

Acts of the New York Legislature granting to Livingston and Fulton the exclusive navigation of the waters of the State in vessels propelled by steam were held to be unconstitutional and void and repugnant to the power given to Congress to regulate commerce, so far as they prohibited vessels licensed by the United States for carrying on the coasting trade from navigating the waters of New York. (*Gibbons vs. Ogden*, 9 Wheaton.)

This power to regulate commerce by Congress and to secure it from all restrictions or burdens under State authority, has been so jealously guarded that the Supreme Court decided to be unconstitutional a State law requiring a payment to the master and wardens of a port in addition to their fees. (*Southern Steamship Company vs. Port-wardens of New Orleans*, 6 Wallace, 31.)

So a State law authorizing the health commissioner to collect a certain sum from the master and each cabin passenger for marine hospital, &c., was held to be unconstitutional, as encroaching upon the power of Congress alone to regulate commerce. (*Passenger Cases*, 7 Howard, 283.)

Although it is true that traffic by railroad was unknown and undreamed of when the Constitution of the United States was framed, it is also true that navigation by steam-vessels was unknown; yet, in the comprehensive language used in the clauses of that instrument which have been quoted, as indeed in all its clauses, we see the amazing wisdom, if not inspiration, which guided its authors. The words used adapt themselves to every advancement in civilization, to all the changes of time and circumstance. And hence we find that Congress has not hesitated to enact laws regulating the construction and management of steamboats; and no one has questioned our power over all the details of such commerce. The power of Congress "to regulate commerce with foreign nations and among the several States" is absolute, and has no limitation but the single one that all such regulations shall be equitable. Commerce, foreign and interstate, whether upon the ocean, the lakes, the rivers, or the land, is subject to the control of Congress. Remembering that commerce includes intercourse, the carrying-trade, and that "the subject, the vehicle, the agent, and their various operations become the objects of commercial regulation," there can be no doubt that all common carriers, whether by river, canal, or railroad, are included within the reach of this power wherever and whenever their traffic is from State to State or with foreign nations.

The power to regulate commerce does not stop at the mere boundary-line of a State; nor is it confined to acts done upon the water or in the necessary course of the navigation thereof. It extends to such acts done on land which interfere with, obstruct, or prevent the due exercise of the power to regulate commerce and navigation with foreign nations and among the States. Any offense which thus interferes with, obstructs, or prevents such commerce and navigation, though done on land, may be punished by Congress under its general authority to make all laws necessary and proper to execute their delegated constitutional powers. (*United States vs. Coombs*, 12 Peters, 78.)

Judge Redfield, who devoted many years to the study of railways and the laws which govern them, and whose distinguished abilities make him a recognized authority upon all things appertaining there-

to, affirms the right of the National Government to control the railways of the country, and argues that uniformity of charges "is the one thing which alone will enable the railways and the people both to live and conduct business upon fair grounds." And "the want of some such stringent system of supervision, which should bring all charges to a uniform standard and a reasonable limit, is the very thing which has ruined many of the most productive lines of railway in the country."

In the Clinton-bridge case it was said by Justice Miller (16 American Law Register, page 153) that railroads which are lines or parts of lines of interstate communication are equally subject to the regulation of Congress, as are steamboats. This proposition is so manifestly clear and logically conclusive that no one will venture to controvert it.

Congress, then, having the unquestionable, unlimited, and exclusive power over the evils complained of, why should it not exercise that power?

I have already said that the wrongs complained of are in violation of the law of common carriers. All the text-books on the subject teach us, that a common carrier is bound to receive the goods of all persons alike, and upon the same terms, and at the same rate. (*Chitty's Commercial Law*, 71.) And there is no distinction between a carrier by land or an inland carrier by water, or, as Sir William Jones expresses it, between a wagon and a barge; and he might have added between a steamboat and a railroad.

It may be confidently affirmed that every violation of this duty of perfect equality subjects the carrier to an action at law. But something more is needed than the mere common-law remedy.

So it was found in England. And accordingly in 1854 an act of Parliament was passed known as "the railway and canal traffic act," which, although more minute in its details, had the same general purpose as the bill under consideration. Under that act unjust preferences to a great extent were broken up; trade was no longer diverted from its shortest and legitimate route out of motives of selfishness or rivalry. Many wrongs were redressed, and injury was done to neither the shipper nor the carrier. The numerous cases collated in a treatise by Gilmore Evans, and another by George Brown, show the extent of the evils complained of and the necessity for legislative interference.

In this country there is no denial of the fact that discriminations are constantly made; that unfair preferences are continually given; and that the disastrous effects of this policy are shown upon the bankrupt records, by individual enterprise which has been crushed, by special industries in some localities deprived of their natural sustenance, by the entire diversion of one great element of a state's wealth and commerce from its natural route, and by the tribute which every unfavored place or way-station is compelled to pay to those enjoying the benefits of discrimination.

I have called special attention to the ruinous effects of adverse discrimination upon the constituency which I immediately represent; but I have said that the evil is wide-spread and the complaint comes up from all sections of the country. In Wisconsin a political revolution was wrought upon this question. In Illinois it was regarded so important that the right to control railroads and prohibit discriminations was incorporated into the State constitution in 1870. The constitution of Pennsylvania contains clauses of similar import, seeking to accomplish the same reform. Massachusetts has a board of railroad commissioners with extensive powers, and other States have sought in various ways to accomplish the same end, the correction of abuses, the prevention of discriminations.

The relief given by State legislation is necessarily partial, local, and unequal. Its inadequacy will be apparent when it is remembered that all of the great railroad lines enter into and pass through more than one State, and the equity and impartiality which one Commonwealth may enforce may be nullified by undue burdens laid upon the same cargo when the State boundary is crossed. The power of Congress here invoked does not in the slightest degree interfere with the recognized right of each State to regulate its internal commerce. But interstate commerce and commerce between inland States and foreign nations are obstructed and injured in ways which State laws cannot reach, and hence the demand is made of the General Government to exercise the power which the States surrendered to it for the general good.

In urging the passage of this bill I am not unmindful of the serious difficulties which embarrass all legislation upon this subject. The cost of construction of various roads and the cost of maintaining and working them differ and the expenses upon different parts of the same road are not uniform. Hence an objection to fixing an unvarying schedule per mile for freight on all roads. Fully appreciating all of the difficulties which lie in the way of legislation which will be alike just to the railroads and to the people and remembering the duty and liability of common carriers, I have merely sought by this bill to give efficacy to the common law upon this subject.

The first section declares that no discrimination shall be made by common carriers within the jurisdiction of the United States Government. And that is but a re-affirmation of the law governing common carriers everywhere.

The second section furnishes the shipper with information as to the established rates, prevents sudden and frequent changes, and provides a penalty in case he is subjected to unequal charges.

The third section provides penalties for all evasions of the law.



The fourth section prohibits combinations by which the objects of the act may be defeated and unfair preferences given.

It will be observed that this bill gives no new privileges to shippers; it imposes no new burdens upon carriers. It but recognizes a principle of law older than any corporation, the universal disregard of which renders necessary its re-enactment, with adequate penalties for its violation.

Our American railway system has grown into power unrestrained by legislative control. We have trusted to competition to secure us from abuses of this power; but competition has ended in combination, or in spasmodic conflicts which are equally injurious to steady trade. Commerce has suffered so much of late years from the caprices, the rivalry, and the self-interest of railway managers that relief must be found. It may be obtained by legislative regulation, or, if not there, in Government control or even Government ownership. I allude to the possibility—which I trust may never be realized—of an outraged and angry people, through their Legislatures, arresting the charters of these corporations and managing them through their executive officer. In Belgium there are railroads owned by the government, and it is said they are managed with economy and fidelity. Some of the States of the Union have tried the experiment of running lines of railroad and canal. But they usually become instruments of political power and hot-beds of corruption. Legislative regulation is exercised in England and France with the most satisfactory results. The French law is based upon three principles: that railroads shall not charge more for carriage over a less than over a greater distance; under similar circumstances there shall be no discriminations made between persons; no changes in tariffs shall be effected except after a specified public notice and upon the approval of the minister of public works. These same principles are recognized in the pending bill, and their enforcement, while working no hardships to any corporation, will be but simple justice and will allay public excitement produced by existing wrongs.

This bill does not propose that Congress shall arbitrarily fix a schedule of freight charges which every railroad shall observe. It leaves that to the control of the several corporations, to be regulated as the judgment of each may direct. The managers of each road know the exact cost and average quantity of freight carried over their lines, and can easily make an equitable and uniform rate, a rate remunerative to the shareholders, yet fair to the public. If each trunk line is required to prepare its schedule upon this basis, and is prohibited from making sudden and frequent changes thereof, there will be an end to those furious and wasteful railroad wars, and an end to the crushing burden put upon way-freight in order that through-freight may be carried at less than cost—an odious tribute to folly and obstinacy.

Just now the business interests of the country are unsettled because of a fresh quarrel between the great railroad managers. The published correspondence shows that they attempt no concealment of the fact that they had combined and conspired to control the freights. William H. Vanderbilt, addressing the presidents of other companies, says:

Our withdrawal from the agreement of March 2 simply places the western roads on east-bound business in the same position we are on west-bound, and we refuse to exact from them any longer compliance with our dictation.

These mammoth corporations have no consideration for the great commercial interests of the country. They make compacts and break them; they combine and they go to war, caring nothing for those who suffer. A sudden and radical change of rates inevitably brings confusion and disaster. Already we read of numerous failures in the East and West caused by the serious disturbance of values resulting from this railroad war.

While I speak for the people in demanding from Congress a recognition of their rights which railroad officials refuse to respect, I insist that the passage of this bill would be an advantage to railroads, by protecting them from each other, and from combinations among themselves which always end in contention, in expensive, and demoralizing rivalry.

I urge this measure upon the consideration of Congress, believing it to be just to the shipper and the carrier; believing it will conduce to the regularity and prosperity of commerce; believing it will relieve trade from unnatural restraints and diversions; and believing it to be in the interest of that fair play to which all American citizens are entitled.

#### Protection and Development of Home Industry.

### SPEECH OF HON. C. FREEMAN,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

May 13, 1876.

The House being in Committee of the Whole on the state of the Union—

Mr. FREEMAN said:

I thank the gentleman from Vermont [Mr. HENDEE] for his courtesy.

Mr. Chairman, as it is my intention to vote against the tariff bill reported from the Committee of Ways and Means, and as I consider it in

many respects the most important measure of the session, I propose to ask the attention of the committee while I give, as briefly as may be, my reasons for that vote. It is entitled "A bill to revise and simplify existing laws imposing duties on imports, and to reduce taxation." Let us see to what extent and in what manner these objects are achieved. The necessity of revenue, however derived, is, primarily, for the purpose of carrying on the Government, but it is not to be doubted that duties imposed on imports are also intimately connected with the nurture of home-labor. It is in the highest degree essential to the public welfare, therefore, that they should be levied in such form and to such extent as will make the burden lightest and most conducive to the development and protection of that home-labor. It is an undeniable proposition that in a new country from the necessarily relative sparsity of its population, labor will command a higher remuneration than in one older and more densely peopled; and this, of course, from the settled principle of supply and demand. And particularly is this so in regard to what may be termed skilled labor. It is also to be borne in mind that to an extent almost unknown within the boundaries of any other government under the sky the vast expanse of this country presents a complex diversity of interests which it should be the aim of a broad statesmanship to harmonize and foster.

I, sir, am in favor of such action by this Government as shall most minister to the welfare of the people by protecting home industry and fostering and developing home productions and manufactures. Self-protection is the inevitable law of life, individual or governmental; and no prosperity can attend the growth of any new and young country in which that vital principle is not carefully studied and applied. Under this beneficent doctrine, the products of American manufacturing, mining, and mechanic arts have increased from \$1,019,103,616 in 1850 to \$1,885,861,676 in 1860, and to \$4,232,325,442 in 1870. And this aid, too, of necessity, should be free from vacillation and uncertainty. As an eminent writer, Mr. Bigelow, so forcibly puts it in his able treatise upon this subject:

No matter how capable or how energetic any people may naturally be, nor how favored in position or climate or soil, their industrial capacities can never be fully developed under a vacillating and uncertain public policy. Men do not embark either capital or skill in enterprises liable at any time to be defeated by inconsiderate or unfriendly legislation. A stable order of things and a well-founded confidence in the future are all essential conditions of manufacturing success. Such stability and such confidence the English manufacturer has always enjoyed. Alike in peace and in war and under all administrations, he has been able to rely upon the steady and enlightened co-operation of his government. To protect, encourage, and extend the manufactures of Great Britain has been the wise and uniform policy of her statesmen for at least a century; and the result is seen in a manufacturing prosperity that is without a parallel.

Of late years the doctrine of Great Britain is alleged to have undergone a change; but it is more alleged than real, and always has been governed by the circumstances of its own case and guided in the direction of its own home welfare. These, then, are clearly two of the vital elements of the productive power of a country: on the one hand, a protective duty on the imports of articles of home manufacture that shall equalize the cost of production, the prices and hours of labor, the thoroughly developed advantages of long years of application of capital in firmly established commercial relations; and, on the other hand, a judicious stability and regularity in the laws governing such duties, that commercial matters may be free from the deadly incubus of uncertainty, that capital may be encouraged to pour out its mighty resources into the lap of industry with that freedom and confidence which well-digested and steadfast legislation can alone induce.

Now, sir, what does this new tariff bill propose to do? It is but a little more than a decade after the close of the most frightful civil struggle which human history unfolds. That struggle was one, which, it is but the solemn language of truth to assert, was only made endurable and successful by this young people through the action of the wise men who had been able, amid the bitter opposition of less thoughtful minds, to throw around home industry that partial system of protection which enabled the latent energy of the manufacturing interests to spring into an enlarged vitality, breathing a living energy into the Government which had else been comparatively powerless. The reaction which follows the expansion of war, and brings to every people engaged therein the resulting misery of war, is still enshrouding us to-day. The factories and mills are nearly still; the demand for the wealth of the bosom of the earth is sluggish and staggering; commerce is prostrate, and the home of the laborer is darkened with want. The suffering people are looking to Congress for relief.

The democratic party, capitalizing the misery resulting from its ruthless war upon free institutions, rode into accidental power in this House. And what has it done? In mockery of the vast debt hurled by its own iniquities upon an overconfident people, it has struck at some of the greatest interests of our commerce, and, in a wild delirium of desire for party gain, has junketed around by day and fished around by night in the contortions of its embryo virtue, until public business is almost at a halt; and all in the prostituted names of honesty and economy. And what does it propose to do? One of the answers is to be found in this bill. Sir, it proposes to put another twist around the almost strangled neck of trade, and drive another nail in the coffin which all but entombs American industry to-day. In round numbers this bill decreases the duties on articles of home production and manufactures to the extent of nearly \$15,000,000, and makes a net decrease in the revenue from customs duties to just

that amount; and this, too, at a time when importations are still decreasing from the depressed condition of business and the general stagnation of commerce throughout the world.

The annual report of the Secretary of the Treasury shows that for the fiscal year ending June 30, 1875, the total receipts of the Government from all sources were \$288,000,051.10. Of this amount there were received from customs duties \$157,167,722.35, being more than one-half of the national revenue. The present tariff went into operation on the 1st day of July, 1874. Prior to that time importations decreased, not owing to the tariff, but on account of the business panic of September, 1873, under the effects of which the nation is still writhing. The value of merchandise entered for consumption during the fiscal year ending June 30, 1874, was \$595,865,754.10, and the amount of duty paid thereon was \$160,522,284.63. In 1875 the value of merchandise entered for consumption was \$547,050,117.90, and the

amount of duty paid thereon was \$154,554,982.55. This shows a falling off of \$48,815,636.20 in the value of merchandise imported and entered for consumption, and a loss of \$5,967,302.08 in the total of duty paid in 1875 as compared with 1874. And yet, in the face of this serious decline of customs duties and the prostration of domestic industry, it is proposed that the enormous reductions provided for in this bill shall be made, many of them—as the original bill intended, and is still to be attempted in this—directly in favor of the greatest luxuries of life, and only within the enjoyment of the favored few.

In order that a proper understanding may be reached of the alterations suggested by this bill, there is herewith appended a complete classification of the amounts of duty collected during the fiscal year ending June 30, 1875, on commodities enumerated therein, and of estimated duties on amounts entered in 1875 under the proposed rates of duty in this bill.

Statement of amount of duty collected during the fiscal year ending June 30, 1875, on commodities enumerated in House bill No. 3132, and of estimated duties on amounts entered in 1875, under the proposed rates of duty in said bill, with equivalent ad valorem duties.

Commodities.	Foreign merchandise entered into consumption during the fiscal year 1875.			Estimated duties on amounts entered in 1875 at proposed rate.	Decrease of duty on amounts entered in 1875.	Rate of duty in force in 1875.	Equivalent ad valorem rates in force in 1875.	Proposed rate in bill H. R. No. 3132.	Equivalent ad valorem under proposed rates.	Increase of duty.	Equivalent ad valorem under existing law.	Percentage of decrease.
	Quantity.	Value.	Amount of duty.									
Cotton, manufactures of:												
On all manufactures of cottons (except jeans, denims, drillings, &c.) not bleached, colored, painted, or printed, and not exceeding 100 threads to the sq. in., counting warps and filling, and exceeding in weight 5 oz. per sq. yd., unbleached sq. yd.	29,940.00	\$3,585.00	\$1,388.09	898.47	\$489.62	5c. per sq. yd.	38.72	3c. per sq. yd.	25.06	31.72	30.99	
Bleached sq. yd.	6,983,340.00	881,034.38	356,577.09	279,533.60	77,043.49	5 1/2 c. per sq. yd.	30.37	4c. per sq. yd.	31.74	43.64	27.27	
Colored, stained, painted, or printed, sq. yd.	411,750.00	32,105.33	23,440.29	18,528.75	7,011.51	5 1/2 c. per sq. yd. and 10 p. c.	73.01	4 1/2 c. per sq. yd.	57.71	63.65		
Finer and lighter goods of like description, not exceeding 200 threads to the sq. in., counting the warp and filling, unbleached sq. yd.	29,940.00	3,585.00	1,388.09	898.47	489.62	5c. per sq. yd.	38.72	4c. per sq. yd.	25.06	31.72	30.99	
Bleached sq. yd.	6,983,340.00	881,034.38	356,577.09	279,533.61	77,043.48	5 1/2 c. per sq. yd.	40.47	4 1/2 c. per sq. yd.	31.74	43.64	27.27	
Colored, &c. sq. yd.	12,983,573.00	1,923,456.48	1,010,401.16	649,178.65	361,222.51	5 1/2 c. per sq. yd. and 20 p. c.	52.53	5c. per sq. yd.	33.75	56.47		
Goods of like description, exceeding 200 threads to the sq. in., counting the warp and filling, unbleached sq. yd.	29,940.00	3,585.00	1,388.09	898.47	489.62	5c. per sq. yd.	38.72	4c. per sq. yd.	25.06	31.72	30.99	
Bleached sq. yd.	6,983,340.00	881,034.38	356,577.09	279,533.60	77,043.48	5 1/2 c. per sq. yd.	40.47	4 1/2 c. per sq. yd.	31.74	43.64	27.27	
Colored, &c. sq. yd.	1,281,674.00	188,415.50	99,634.64	64,083.70	35,550.94	5 1/2 c. per sq. yd. and 20 p. c.	50.76	5c. per sq. yd.	34.01	58.04	41.04	
Cotton jeans, denims, drillings, bed-tickings, ginchams, plaids, cottonades, &c., and not exceeding 100 threads in sq. in., counting warps and filling, and exceeding 5 oz. to the sq. yd., unbleached sq. yd.	2,258.00	472.33	192.65	90.32	32.33	6c. per sq. yd.	25.97	4c. per sq. yd.	19.12	19.82	06.04	
Bleached sq. yd.	138.00	17.00	8.14	6.21	1.93	6 1/2 c. per sq. yd.	47.88	4 1/2 c. per sq. yd.	36.53	32.50	11.03	
Colored, &c. sq. yd.	20,325.00	3,765.67	1,933.93	1,316.23	637.68	6 1/2 c. per sq. yd. and 10 p. c.	51.88	5c. per sq. yd.	34.95	53.80	33.25	
Finer and lighter goods of like description, not exceeding 200 threads to sq. in., counting warp and filling, unbleached Bleached.						6c. per sq. yd.		4c. per sq. yd.				
Colored, &c. sq. yd.	1,873,581.50	249,220.00	147,315.11	93,679.07	53,636.04	6 1/2 c. per sq. yd. and 15 p. c.	59.11	5c. per sq. yd.	33.58	64.36	47.82	
Goods of lighter description, exceeding 200 threads to the sq. in., counting warp and filling, unbleached Bleached.						7c. per sq. yd.		4 1/2 c. per sq. yd.				
Colored, &c. sq. yd.	11,815.00	1,661.00	876.47	590.75	285.72	7 1/2 c. per sq. yd. and 15 p. c.	52.77	5c. per sq. yd.	35.57	54.71	32.59	
Plain woven cotton goods, not otherwise specified: Unbleached, valued over 16 cents per sq. yd.		27,619.00	9,543.71			35 p. c.		25 p. c.				
Bleached, valued over 20 cents per sq. yd.		144,707.00	49,153.71			35 p. c.		25 p. c.				
Colored, valued over 25 cents per sq. yd.		929,283.00	310,498.60	290,947.75	87,819.00	35 p. c.	32.55	25 p. c.	25.00	35.00	28.57	
Cotton jeans, denims, and drillings, unbleached, valued over 20 cents per sq. yd.		2,182.00	763.70			35 p. c.		25 p. c.				
All other cotton goods						35 p. c.		25 p. c.				
Cords, gimps, galloon, and cotton laces, colored		2,842,732.01	925,519.88			35 p. c.		30 p. c.				
Shirts and drawers, woven or made on frames		9,917.00	3,304.27			35 p. c.		30 p. c.				
Hosiery		4,998,936.95	1,631,454.86			35 p. c.		30 p. c.				
Velvet		1,084,731.12	344,888.61	1,600,232.29	387,551.61	35 p. c.	32.53	30 p. c.	30.00	35.00	14.29	
Brads, inserting, laces, trimmings, and bobbinet						35 p. c.		30 p. c.				
Other manufactures of, not otherwise specified		6,397,791.53	2,051,616.27			35 p. c., 40 p. c., &c.		30 p. c.				



Statement of amount of duty collected during the fiscal year ending June 30, 1875, on commodities enumerated in House bill No. 3132, &amp;c.—Continued.

Commodities.	Foreign merchandise entered into consumption during the fiscal year 1875.			Estimated duties on amounts entered in 1875 at proposed rate.	Decrease of duty on amounts entered in 1875.	Rate of duty in force in 1875.	Equivalent ad valorem at rates in force in 1875.	Proposed rate in bill H. R. No. 3132.	Equivalent ad valorem under proposed rates.	Increase of duty.	Equivalent ad valorem under existing law.	Percentage of decrease.
	Quantity.	Value.	Amount of duty.									
Cotton, manufactures of—												
Continued.												
On spool thread of cotton, containing on each spool not exceeding 100 yards of thread. . . . .	424, 748. 50	\$65, 919. 00	\$45, 452. 01	\$25, 484. 01	\$19, 967. 10	6c. per doz. and 30 p. c.	68. 95	6c. per doz. . . . .	38. 60	.....	68. 61	44. 13
Exceeding 100 yards, for every additional 100 yards of thread on each spool or fractional part thereof. . . . .	458, 667. 50	73, 013. 00	48, 036. 20	27, 520. 05	20, 516. 15	6c. per doz. and 35 p. c.	66. 7	6c. per doz. . . . .	38. 22	.....	74. 29	48. 55
Cotton thread, yarn, warps, or warp yarn not wound upon spools, whether single or advanced beyond the condition of single by twisting two or more single yarns together, whether on beams or in bundles, skeins, or cops, or in any other form:												
Valued not over 40 cents per pound. . . . .	14, 964. 00	5, 718. 00	2, 503. 00	1, 496. 40	1, 006. 60	10c. per lb. and 20 p. c.	43. 77	10c. per lb. . . . .	26. 17	.....	45. 86	42. 94
Valued over 40 cents per pound, and not over 60 cents per pound. . . . .	314, 447. 25	164, 737. 00	89, 777. 86	62, 889. 45	46, 888. 41	20c. per lb. and 30 p. c.	54. 5	20c. per lb. . . . .	38. 18	.....	58. 42	34. 65
Valued over 60 cents per pound, and not over 80 cents per pound. . . . .	502, 450. 50	368, 765. 00	265, 965. 15	150, 735. 15	55, 230. 00	30c. per lb. and 20 p. c.	53. 85	30c. per lb. . . . .	40. 88	.....	50. 63	31. 41
Valued over 80 cents per pound. . . . .	1, 435, 768. 50	1, 969, 421. 00	928, 874. 92	598, 307. 40	330, 567. 52	40c. per lb. and 20 p. c.	47. 17	40c. per lb. . . . .	30. 38	.....	54. 46	44. 22
Iron and steel, manufactures of:												
Pig-iron. . . . . tons..	61, 748. 12	1, 811, 151. 34	*402, 593. 57	308, 743. 00	93, 850. 57	\$7 per ton. . . . .	22. 23	\$5 per ton. . . . .	17. 05	.....	26. 84	32. 52
Spiegeleisen, in pigs. . . . .												
Bar-iron, rolled or hammered:												
Flats not less than 1 in. nor more than 6 in. wide.												
Flats not less than 1 in. nor more than 2 in. thick. . . . . lbs..	4, 437, 537. 00	141, 101. 99	*40, 093. 87	22, 187. 68	17, 906. 19	1c. per lb. . . . .	28. 41	1c. per lb. . . . .	15. 72	.....	36. 03	56. 37
Round, not less than 1 in. nor more than 2 in. in diameter.												
Square, not less than 1 in. nor more than 2 in. square.												
Flats less than 1 in. nor more than 2 in. thick, or flats less than 1 in. nor more than 6 in. wide.	963, 044. 00	31, 592. 15	*13, 050. 85	7, 222. 83	5, 828. 02	1 1/2 c. per lb. . . . .	44. 48	1c. per lb. . . . .	22. 86	.....	43. 24	66. 24
Rounds 1/2 in. nor more than 2 in. in diameter.												
Squares 1/2 in. nor more than 2 in. square.												
Molise iron made from sand ore by one process. . . . . tons..	100. 05	6, 168. 00	*1, 503. 87	1, 002. 50	501. 37	\$15 per ton. . . . .	24. 38	\$10 per ton. . . . .	16. 25	.....	24. 38	33. 35
Iron bars for railroads or inclined planes. . . . . lbs..	90, 214, 739. 00	430, 987. 74	*127, 684. 72	90, 244. 50	37, 440. 22	70c. per 100 lbs. . . . .	29. 63	\$10 per ton. . . . .	20. 94	.....	36. 66	42. 88
Boiler and other plate iron not less than 3-16 in. in thickness. . . . . lbs..	127, 679. 00	9, 190. 00	1, 894. 32	1, 598. 49	925. 83	1 1/2 c. per lb. . . . .	19. 85	1 1/2 c. per lb. . . . .	17. 39	.....	19. 78	12. 08
Boiler and other plate iron not otherwise specified. . . . . tons..						\$25 per ton. . . . .		\$20 per ton. . . . .		.....		25. 00
Iron wire, bright, coppered, or trimmed, drawn and finished, not more than 1/2 in. in diameter nor less than No. 16 wire-gauge. . . . . lbs..	1, 840, 190. 00	*96, 590. 00	47, 060. 37	32, 203. 32	14, 857. 05	2c. per lb. and 15 p. c.	48. 72	1 1/2 c. per lb. . . . .	33. 34	.....	52. 42	12. 13
Over No. 16 and not over No. 25. . . . . lbs..	211, 961. 00	*17, 653. 00	9, 630. 31	6, 358. 83	3, 971. 48	3 1/2 c. per lb. and 15 p. c.	54. 53	3c. per lb. . . . .	36. 02	.....	56. 95	36. 75
Over or finer than No. 25. . . . . lbs..	2, 865. 50	409. 00	172. 29	114. 62	57. 67	4c. per lb. and 15 p. c.	42. 12	4c. per lb. . . . .	28. 02	.....	48. 10	41. 75
Iron wire, bright, &c., covered with cotton, silk, or other materials, not more than 1/2 in. in diameter, nor less than No. 16 wire-gauge. lbs..	82. 00	*35. 00	9. 80	5. 54	4. 35	7c. per lb. and 15 p. c.	25. 4	6 1/2 c. per lb. . . . .	15. 84	.....	28. 2	43. 83
Over No. 16 and not over No. 25. . . . . lbs..	706. 60	*421. 00	112. 51	56. 48	56. 03	3 1/2 c. per lb. and 15 p. c.	26. 72	3c. per lb. . . . .	13. 41	.....	28. 53	53. 00
Over or finer than No. 25. . . . . lbs..	748. 23	*573. 00	143. 53	67. 43	76. 10	9c. per lb. and 15 p. c.	25. 04	9c. per lb. . . . .	11. 76	.....	27. 24	56. 83
Round iron in coils, 3-16 in. or less in diameter, whether coated with metal or not, and all descriptions of iron wire not over No. 16 wire-gauge. . . . . lbs..	1, 367, 629. 00	*86, 016. 00	36, 536. 56	23, 934. 55	12, 592. 01	2c. per lb. and 15 p. c.	42. 47	1 1/2 c. per lb. . . . .	27. 82	.....	49. 36	43. 64
Over No. 16 and not over No. 25 wire-gauge. lbs..	266, 730. 00	*26, 011. 00	12, 148. 64	*8, 001. 90	4, 148. 74	3 1/2 c. per lb. and 15 p. c.	46. 70	3c. per lb. . . . .	20. 76	.....	56. 95	45. 99
Over or finer than No. 25. . . . . lbs..	1, 663. 00	*644. 00	419. 23	66. 32	62. 93	4c. per lb. and 15 p. c.	23. 17	4c. per lb. . . . .	10. 29	.....	45. 10	78. 61

\*Loss 10 per cent. during eight months and three days.

# APPENDIX TO THE CONGRESSIONAL RECORD.

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Statement of amount of duty collected during the fiscal year ending June 30, 1875, on commodities enumerated in House bill No. 3132, &c.—Continued.

Commodities.	Foreign merchandise entered into consumption during the fiscal year 1875.			Estimated duties on amounts entered in 1875 at proposed rate.	Decrease of duty on amounts entered in 1875.	Rate of duty in force in 1875.	Equivalent ad valorem at rates in force in 1875.	Proposed rate in bill H. R. No. 3132.	Equivalent ad valorem under proposed rates.	Increase of duty.	Equivalent ad valorem under existing law.	Percentage of decrease.
	Quantity.	Value.	Amount of duty.									
Iron and steel manufactures of—Continued.												
Wire, spiral furniture springs of iron wire.....	7,681.00	*\$789 00	\$244 78	\$134 41	\$110 37	2c. per lb. and 15 p. c.	31.02	1 1/2 c. per lb.....	17.03		34.47	50.59
Sheet-iron, smooth or polished.....lbs.	4,665,827.00	*446,008 00	124,983 88	93,316 54	31,667 34	3c. per lb.....	28.02	2c. per lb.....	20.82		32.58	36.10
Sheet-iron, common and block, not thinner than 20 in. wire-gauge.....lbs.	1,803,518.00	*74,183 00	20,594 15	16,035 18	2,558 97	1 1/2 c. per lb.....	27.76	1c. per lb.....	24.31		28.93	12.51
Thinner than No. 25 wire-gauge.....lbs.	126,694.00	5,446 04	1,995 62	1,583 69	411 93	1 1/2 c. per lb.....	36.64	1c. per lb.....	29.07		35.00	16.94
Thinner than No. 20 wire-gauge and not thinner than No. 25.....lbs.	765,190.00	*35,801 75	10,432 63	7,651 90	2,780 73	1 1/2 c. per lb.....	29.13	1c. per lb.....	21.37		26.33	18.84
Band, hoop, and scroll iron, 1/2 to 6 in. in width, not thinner than 1/2 in.....lbs.	6,561,339.00	*247,229 51	74,362 60	49,210 04	25,152 56	1 1/2 c. per lb.....	30.07	1c. per lb.....	19.90		35.64	44.16
One-half to 6 in. in width, under 1/2 in. thick, not thinner than No. 20 wire-gauge.....lbs.	1,745,110.00	*56,815 21	23,590 32	17,451 10	6,139 22	1 1/2 c. per lb.....	41.52	1c. per lb.....	30.71		60.67	49.38
Thinner than No. 20 wire-gauge.....lbs.	284,087.00	*11,801 00	4,484 84	3,551 09	933 75	1 1/2 c. per lb.....	38.00	1 1/2 c. per lb.....	30.09		40.87	26.38
Slit rods.....lbs.						1 1/2 c. per lb.....		1 1/2 c. per lb.....				
Iron, rolled and hammered, not otherwise specified.....lbs.	7,362,305.00	*250,292 00	84,667 45	55,217 28	29,450 17	1 1/2 c. per lb.....	33.74	1c. per lb.....	22.06		41.32	46.61
Handsaws not over 24 in. in length.....doz.	113.75	*781 00	296 05	227 50	68 55	75c. and 30 p. c.	37.91	23 per doz.....	29.12		42.13	30.88
Handsaws over 24 in. in length.....doz.	167.92	*1,695 00	618 43	419 80	198 63	1 and 30 p. c.	36.48	\$2.50 per doz.....	25.35		38.60	34.33
Backsaws not over 10 in. in length.....doz.	15.00	*109 00	41 97	30 00	11 97	75c. and 30 p. c.	38.50	\$2 per doz.....	27.52		40.40	31.63
Backsaws over 10 in. in length.....doz.	35.67	*343 00	124 71	89 17	35 54	1 and 30 p. c.	36.35	\$2.50 per doz.....	25.99		40.80	36.21
Files, file-blanks, rasps, and floats, not over 10 in. in length.....doz.	325,529.25	*225,440 63	92,685 78	65,105 85	27,579 93	10c. and 30 p. c.	41.11	20c. per lb.....	28.87		43.45	33.56
Over 10 in. in length.....doz.	589,957.00	150,789 83	74,692 68	53,096 13	21,596 55	6c. and 30 p. c.	49.53	9c. per lb.....	35.21		54.24	35.08
Needles for knitting or sewing machines.....n. l.	1,737.40	17,524 60	7,211 01	3,474 80	3,736 21	\$1 per 1,000 and 35 p. c.	41.14	\$2 per 1,000.....	19.82		46.04	56.95
Iron squares, marked on one side.....lbs.						3c. per lb. and 30 p. c.		3c. per lb.....				
All other of iron and steel.....lbs.	392.00	52 00	41 65	11 76	29 89	6c. per lb. and 30 p. c.	80.09	3c. per lb.....	22.61		79.53	71.57
All manufactures of steel not otherwise specified.....		*1,013,985 04	424,592 56	304,195 71	120,396 85	45 p. c.	41.87	30 p. c.....	30.00		45.00	33.33
Steel railroad bars.....tons.	43,683.00	*3,183,156 00	1,116,258 17	655,245 00	461,013 17	1 1/2 c. per lb.....	35.06	\$15 per ton (2,240 pounds.)	20.58		39.68	48.14
Chains, trace, halter, and fence, made of wire or rods, not less than 1/2 in. in diameter.....lbs.	4,794,718.00	*269,321,61	109,087 81	95,894 36	13,193 45	2 1/2 c. per lb.....	40.50	2 c. per lb.....	35.60		44.70	20.36
Less than 1/2 and not under No. 9 wire-gauge.....lbs.	774,187.00	*59,187,09	21,218 34	19,354 67	1,863 67	3c. per lb.....	35 84	2 1/2 c. per lb.....	32.70		36.13	94.93
Under No. 9 wire-gauge.....lbs.	57,178.00	*7,745 10	2,454 64	2,323 50	131 14	35 p. c.	31.69	30 p. c.....	30.00		35.00	14.29
Anchor and parts of.....lbs.	95,468.00	*4,897 50	1,952 24	1,432 02	570 22	2 1/2 c. per lb.....	39.85	1 1/2 c. per lb.....	29.23		58.64	50.15
Blacksmiths' hammers and sledges.....lbs.	74,387.50	*6,891 00	1,681 61	1,487 75	193 86	2 1/2 c. per lb.....	24.40	2c. per lb.....	20.86		24.40	14.51
Wrought-iron railroad chairs, axles, and washers.....lbs.	365,812.00	*16,235 90	6,765 14	3,658 12	3,107 02	2c. per lb.....	41.68	1c. per lb.....	22.53		45.06	50.00
Bed-screws and hinges, wrought board-nails, spikes, rivets, and bolts.....lbs.	287,100.00	*14,622 06	6,547 63	4,306 50	2,241 13	2 1/2 c. per lb.....	44.76	1 1/2 c. per lb.....	29.44		32.83	10.33
Wrought steam, gas, and water tubes and flues.....lbs.	400,181.00	*39,064 20	13,054 98	10,004 52	3,350 46	3 1/2 c. per lb.....	33.46	2 1/2 c. per lb.....	25.61		70.06	63.45
Wood-screws 2 in. and over in length.....lbs.	116,080.00	*17,061 00	8,652 02	5,849 95	2,802 00	8c. per lb.....	50.71	4c. per lb.....	34.28		59.69	42.57
Wood-screws less than 2 in.....lbs.	919,203.00	*182,677 00	93,604 85	64,344 21	29,260 64	1 1/2 c. per lb.....	51.24	6c. per lb.....	35.22		52.23	32.57
Cast-iron steam, gas, and water-pipes.....lbs.	371,847.00	*10,341 33	5,025 22	2,788 85	2,236 34	1 1/2 c. per lb.....	48.59	1c. per lb.....	26.96		18.00	133.23
Hollow-ware, glazed or tin-lined.....lbs.	33,529.33	*2,583 00	1,056 20	838 23	217 97	3 1/2 c. per lb.....	40.89	2 1/2 c. per lb.....	32.45		48.43	33.00
Cast scrap-iron.....cwt.	34,455.60	*29,303 65	9,467 57	6,891 12	2,576 45	\$6 per ton	32.30	\$4 per ton	23.51		44.20	46.92
Wrought scrap-iron.....cwt.	701,728.14	*958,421 64	255,895 42	210,518 40	45,357 02	\$8 per ton	26.69	\$6 per ton	21.96		37.84	41.97
Ingots, bars, coils, sheets, and steel wire not less than 1/2 in. diameter, valued 7 cents or less per pound.....lbs.	14,231,987.00	*718,120 00	298,654 68	213,479 80	85,174 88	2 1/2 c. per lb.....	41.58	1 1/2 c. per lb.....	29.72		45.44	34.57
Valued over 7 cents and not over 11 cents per pound.....lbs.	7,636,041.00	*719,300 00	212,260 12	190,901 02	21,359 10	3c. per lb.....	29.50	2 1/2 c. per lb.....	26.53		31.64	13.00
Valued over 11 cents per pound.....lbs.	5,908,579.00	*720,346 50	257,224 04	206,800 28	50,423 76	3c. per lb. and 10 p. c.	35.70	3 1/2 c. per lb.....	28.70		38.59	25.63
Steel wire, less than 1/2 in. in diameter and not less than No. 16 wire-gauge.....lbs.	181,164.50	*35,206 00	10,765 47	7,246 58	3,518 89	2 1/2 c. per lb. and 20 p. c.	30.59	4c. per lb.....	20.58		32.02	35.72
Less than No. 16 wire-gauge.....lbs.	140,059.00	*451,741 00	\$13,505 14	\$9,804 13	\$3,701 00	3c. per lb. and 20 p. c.	26.10	7c. per lb.....	18.94		26.55	28.66
Wire for crinolines, corsets, and hats.....lbs.	1,020.50	*378 00	122 03	61 23	60 81	9c. per lb. and 10 p. c.	32.28	6c. per lb.....	16.19		39.49	50.00
Lead: Sheets and pipes.....lbs.	22,163.00	*2,321 95	587 48	443 26	144 22	2 1/2 c. per lb.....	25.30	2c. per lb.....	19.08		26.08	26.84

\*Loss 10 per cent. during eight months and three days.



Statement of amount of duty collected during the fiscal year ending June 30, 1875, on commodities enumerated in House bill No. 3132, &amp;c.—Continued.

Commodities.	Foreign merchandise entered into consumption during the fiscal year 1875.			Estimated duties collected in 1875 at proposed rate.	Decrease of duty on amounts entered in 1875.	Rate of duty in force in 1875.	Equivalent ad valorem at rates in force in 1875.	Proposed rate in bill H. R. 3132.	Equivalent ad valorem under proposed rates.	Increase of duty.	Equivalent ad valorem under existing law.	Percentage of decrease.
	Quantity.	Value.	Amount of duty.									
Lead—Continued.												
Shot.....lbs.	58.00	*4 00	1 59	1 01	58	23c. per lb.	39.75	13c. per lb.	25.25		39.75	36.47
Pigs and bars.....lbs.	32,770,712.50	*1,559,017 00	601,257 48	327,707 12	273,650 36	30c. per lb.	38.59	10c. per lb.	21.02		41.98	49.72
Old, fit only to be manufactured.....lbs.	382,150.00	*13,964 00	5,322 41	3,821 50	1,500 91	14c. per lb.	38.11	1c. per lb.	25.40		44.05	42.34
Copper:												
Plates, bars, ingots, and pigs.....lbs.	58,475.00	*10,741 00	2,631 38	1,169 50	1,461 88	5c. per lb.	24.49	2c. per lb.	10.88		24.50	55.59
Braziers', copper sheets, rods, pipes, and copper buttons and all manufactures of, n. o. s.....		*617 00	251 02	185 10	65 92	45c. p. c.	40.68	30 p. c.	30 00		45.00	33.33
Manufactures of.....		*35,572 05	14,824 48	10,671 62	4,152 86	45c. p. c.	41.67	30 p. c.	30 00		45.00	33.33
Old copper, fit only for manufacture.....lbs.	396,320.00	58,563 96	14,627 15	9,936 40	6,700 75	4c. per lb.	24.97	2c. per lb.	10.64		26.16	50.32
Tin, in bars, blocks, or pigs.....lbs.	11,525,248.00	2,329,487 96	Free	345,737 44		Free of duty.	0 0	3c. per lb.	14.84	\$345,737 44	0 0	100
Tobacco:												
Paper cigars and cigarettes												
Cigars, cigarettes, &c. lbs.	7,539,598.00	2,805,450 84	2,565,074 69	2,609,196 80		25c. per lb. and 25 p. c.	91.43	33.50 per lb.	93.00	44,122 11	91.43	12.66
Leaf, unmanufactured and not stemmed.....lbs.		4,201,634 17	2,638,859 31	3,015,839 20		35c. per lb.	62.80	40c. per lb.	71.77	376,979 88	62.80	12.49
Wool:												
First class, value 32 cents or less per pound.....lbs.	11,453,304.00	2,932,819 04	1,341,277 28	687,318 24	653,959 04	10c. per lb. and 11 p. c.*	45.73	6c. per lb.	23.43		50.08	53.21
Value over 32 cents per pound.....lbs.	1,647,829.00	652,293 07	237,736 93	164,782 90	72,944 03	12c. per lb. and 10 p. c.*	36.44	10c. per lb.	25.26		39.01	35.24
Second class, value 32 cents or less per pound.....lbs.	5,480,528.00	1,230,122 00	618,254 09	374,026 40	344,227 69	10c. per lb. and 11 p. c.*	49.89	5c. per lb.	22.11		42.00	47.36
Value over 32 cents per pound.....lbs.	2,388,629.00	914,139 00	333,764 90	238,862 90	94,902 00	12c. per lb. and 10 p. c.*	36.51	10c. per lb.	26.23		38.68	32.19
Third class, value 12 cents or less per pound.....lbs.	21,813,748.00	2,690,011 70	602,790 66	654,412 44		3c. per lb.	22.33	3c. per lb.	24.28	51,621 78	24.28	0
Value over 12 cents per pound.....lbs.	8,985,710.00	1,773,814 00	493,930 30	268,571 36	224,359 00	6c. per lb.	27.85	3c. per lb.	14.63		27.63	47.00
First class, washed:												
Value 32 cents or less per pound.....lbs.	14,231.00	7,163 00	3,999 72	1,695 62	2,304 10	30c. per lb. and 22 p. c.*	55.83	12c. per lb.	23.67		63.16	62.52
Value over 32 cents per pound.....lbs.	315.00	229 00	114 66	94 50	90 16	24c. per lb. and 20 p. c. less 10 p. c.*	44.27	30c. per lb.	36.49		49.19	25.82
First class, scoured:												
Value 32 cents or less per pound.....lbs.	No transactions.								18c. per lb.			
Value over 32 cents per pound.....lbs.									30c. per lb.			
Second class, scoured:												
Value 32 cents or less per pound.....lbs.									15c. per lb.			
Value over 32 cents per pound.....lbs.									30c. per lb.			
Third class, scoured:												
Value 32 cents or less per pound.....lbs.									3c. per lb.			
Value over 32 cents per pound.....lbs.									3c. per lb.			
Woolen rage, shoddy, mungo, waste, & flocks, lbs.	1,459,922.00	158,596 00	158,523 00	87,553 32	70,969 68	12c. per lb.	100.00	6c. per lb.	52.23		80.35	31.26
Cloth, shawls, and other manufactures of.....lbs.	9,731,146.41	15,297,499 74	9,297,499 74	6,811,802 49	2,485,697 25	50c. per lb., 30, 35, and 40*	60.77	70c. per lb.	44.53		65.96	31.75
Flannels, blankets, hats, knit goods, &c.:												
Value not over 40 cents per pound.....lbs.	756.25	330 30	236 96	151 25	85 71	30c. per lb. and 35 p. c.*	71.81	20c. per lb.	46.00		79.89	42.42
Value over 40 c. and not over 60 c. p. lb.....lbs.	44,416.00	24,869 06	20,698 61	13,324 80	7,283 81	30c. per lb. and 35 p. c.*	82.87	30c. per lb.	53.57		88.00	39.13
Value over 60 c. and not over 80 c. p. lb.....lbs.	62,024.75	54,382 06	45,160 39	24,809 90	30,350 49	40c. per lb. and 35 p. c.*	83.04	40c. per lb.	45.62		86.35	47.17
Value over 80 cents per pound.....lbs.	1,663,622.67	2,487,810 55	1,560,286 96	831,811 33	728,475 63	50c. per lb. and 35 p. c.*	54.79	50c. per lb.	29.29		69.71	58.00
Endless belts or felts for paper or printing machines.....lbs.	196,410.00	*196,394 00	*63,883 50	*37,923 00	*25,060 50	30c. per lb. and 35 p. c.*	50.54	30c. per lb.	30.00		54.70	45.15
Runting.....sq. yds.	6,698.50	1,862 00	1,866 71	1,004 78	861 03	30c. per lb. and 35 p. c.*	100.25	15c. per sq. yd.	53.96		91.39	40.95
Women's and children's dress goods, and real or imitation Italian cloth, not over 20 cents per sq. yd.....sq. yds.	24,200,615.00	4,323,997 46	2,738,777 43	2,178,863 35	559,894 08	6c. per sq. yd. and 35 p. c.*	63.34	9c. per sq. yd.	27.06		68.99	60.77
Value over 20 cents per sq. yd.....sq. yds.	49,326,185.43	13,830,343 12	9,414,298 01	7,398,927 81	2,015,370 70	8c. per sq. yd. and 35 p. c.*	59.47	15c. per sq. yd.	46.75		63.01	25.81
All goods weighing 4 oz. and over, sq. yd. lbs.	1,234,825.17	2,175,677 14	1,263,044 07	987,860 13	275,183 94	50c. per lb. and 35 p. c.*	58.05	80c. per lb.	45.40		61.68	26.29
Clothing, ready made, and wholly or in part of wool.....	100,548.18	806,998 67	392,335 24	219,096 36	173,238 88	50c. per lb. and 40 p. c.*	48.05	42 per lb.	27.08		49.09	44.84
Webbings, weltings, braids, gimps, &c. lbs.	540,445.36	1,687,612 97	1,044,054 16	843,806 48	200,247 65	50c. per lb. and 50 p. c.	61.87	50 p. c.	50 00		68.26	26.72
Saxony, Wilton, and Tournay velvet carpets wrought by Jacquard machinery.....sq. yds.	65,372.50	147,734 00	80,255 02	58,835 25	27,419 77	70c. per sq. yd. and 35 p. c.*	61.29	90c. per sq. yd.	41.81		69.12	39.51
Brussels.....sq. yds.	410,761.00	596,015 51	334,616 35	296,994 65	87,621 70	44c. per sq. yd. and 35 p. c.*	59.05	65c. per sq. yd.	44.80		65.13	31.21
Patent velvet and tapestry velvet.....sq. yds.	223,345.00	359,679 06	195,715 33	145,174 23	50,541 06	40c. per sq. yd. and 35 p. c.*	54.51	65c. per sq. yd.	40.45		66.61	39.29

\*Less 10 per cent. during eight months and three days.

†Increase.

‡Per cent. increase.

Statement of amount of duty collected during the fiscal year ending June 30, 1875, on commodities enumerated in House bill No. 3132, &amp;c.—Continued.

Commodities.	Foreign merchandise entered into consumption during the fiscal year 1875.			Estimated duties on amounts entered in 1875 at proposed rate.	Decrease of duty on amounts entered in 1875.	Rate of duty in force in 1875.	Equivalent ad valorem at rates in force in 1875.	Proposed rate in bill H. R. No. 3132.	Equivalent ad valorem under proposed rates.	Increase of duty.	Equivalent ad valorem under existing law.	Percentage of decrease.
	Quantity.	Value.	Amount of duty.									
Wool—Continued.												
Wool, raw, in skeins, 300 lbs. and over	1,454,710.50	1,282,773.12	775,739.30	581,884.90	193,855.10	25c. per sq. yd. and 35 p. c.	60.47	40c. per sq. yd.	43.36	.....	55.60	22.77
Treble ingrain, three-ply, and worsted chain	169.00	137.74	60.25	59.15	10.10	17c. per sq. yd. and 35 p. c.	50.28	35c. per sq. yd.	42.94	.....	.....	.....
Yarn, vegetable, and two-ply ingrain	5,016.50	3,705.81	1,713.27	1,504.95	208.32	13c. per sq. yd. and 35 p. c.	46.24	30c. per sq. yd.	40.61	.....	51.00	20.37
Druggists and bookbinders, printed and colored	19,035.00	9,747.00	7,405.09	3,807.00	3,598.09	25c. per sq. yd. and 35 p. c.	75.56	20c. per sq. yd.	38.90	.....	96.34	58.62
Fruits:												
Candied citron, orange, and lemon peels	.....	.....	.....	.....	.....	.....	.....	8c. per lb.	.....	.....	.....	.....
Oranges in cases not over 49 x 18 x 15 inches	.....	4,233,325.24	846,664.90	846,664.90	.....	30 p. p.	30.00	55c. per case	30.00	.....	20.00	33.33
Oranges in cases not over 30 x 16 x 13 inches	.....	.....	.....	.....	.....	.....	.....	35c. per box	.....	.....	.....	.....
Lemons in cases not over 30 x 16 x 13 inches	.....	.....	.....	.....	.....	.....	.....	30 p. c.	.....	.....	.....	.....
On all oranges and lemons not otherwise specified	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Gloves of kid	.....	3,555,003.32	1,777,501.66	1,185,001.11	562,500.55	50 p. c.	50.00	\$4 per doz.	.....	.....	.....	.....
Gloves of lambskin or leather	.....	.....	.....	.....	.....	.....	.....	\$2 per doz.	.....	.....	.....	.....
Gunpowder and all explosive substances	25,452.50	13,788.50	5,312.93	1,527.15	3,785.80	6, 10, 20, and 30 p. c.	38.53	6c. per lb.	11.06	.....	50.00	33.33
Hair-pins made of wire	.....	70,327.00	32,516.40	24,614.45	7,901.95	30 p. c.	50.00	35 p. c.	35.00	.....	50.00	30.00
Marble:												
White, statuary, brocatella, &c.	718.25	1,623.00	1,124.00	430.95	693.05	\$1 per cu. ft. and 25 p. c.	69.25	20c. per cu. ft.	26.55	.....	69.25	61.66
Veined and other, in blocks or squares	497,621.34	527,025.00	354,336.26	149,236.40	803,040.86	50c. per cu. ft. and 25 p. c.	67.16	30c. per cu. ft.	28.66	.....	67.16	57.92
Sawed, dressed, &c., sq. ft.	5,760.00	1,979.50	2,173.05	576.00	1,397.05	25 to 45c. per sq. ft. and 30 p. c.	109.78	10c. per sq. ft.	29.10	.....	109.78	73.05
Manufactures of, not otherwise provided for	.....	72,389.00	36,194.50	21,716.70	14,477.80	50 p. c.	50.00	30 p. c.	30.00	.....	50.00	40.00
Stones, freestone, granite, sandstone, and all building or ornamental stone, except marble	15,707.61	452,387.85	90,528.89	66,352.60	33,176.29	10 and 20 p. c. and \$1.50 per ton	.....	\$1 per ton	.....	.....	.....	33.33
Grindstones, rough or unfinished	7,656.17	90,172.25	11,484.24	7,656.17	3,828.07	\$1.50 per ton	12.73	\$1 per ton	8.49	.....	12.73	33.30
Pencils of wood filled with lead or other materials	59,869.58	104,850.02	61,329.83	41,908.71	19,481.12	50c. per gross and 30 p. c.	58.55	70c. per gross	40.00	.....	58.55	31.67
Pens, metallic, other than gold	281,067.38	101,142.43	49,576.06	33,729.06	15,847.98	10c. per gross and 25 p. c.	48.00	15c. per gross	33.35	.....	53.00	37.08
Gold pens	.....	.....	.....	.....	.....	40 p. c.	40.00	35 p. c.	35.00	.....	40.00	12.05
Soap, fancy, perfumed, honey, transparent, and all descriptions of toilet and shaving soaps	248,181.50	\$79,154.39	\$44,606.76	\$29,781.78	\$14,824.98	10c. per lb. and 25 p. c.	56.35	12c. per lb.	37.62	.....	56.35	33.24
Soaps, not otherwise provided for	3,869,181.00	217,878.64	103,239.04	77,383.62	25,855.42	1c. per lb. and 30 and 35 p. c.	47.34	2c. per lb.	35.51	.....	47.34	25.00
Varnish:												
Valued at \$1.50 or less per gallon	3,264.50	3,179.00	2,268.05	1,639.25	635.80	50c. per gal. and 30 p. c.	71.34	50c. per gal.	51.37	.....	71.34	27.99
Valued above \$1.50 per gallon	26,412.12	83,263.00	34,021.89	26,412.12	7,609.70	50c. per gal. and 25 p. c.	40.86	\$1 per gal.	31.72	.....	40.86	22.37
Putty	45.00	2.25	68	45	23.14	1c. per lb.	30.22	1c. per lb.	20.14	.....	30.22	33.35
Lead:												
Nitrate of	374,610.00	25,659.00	11,238.30	7,409.20	3,746.10	3c. per lb.	43.79	2c. per lb.	29.90	.....	43.79	33.33
White, dry or ground in oil	4,354,131.50	295,642.00	130,623.05	87,089.63	43,541.32	3c. per lb.	44.18	2c. per lb.	29.45	.....	44.18	33.33
Red, dry or ground in oil	1,048,713.00	73,131.63	31,461.39	20,974.26	10,487.13	3c. per lb.	43.01	2c. per lb.	28.67	.....	43.01	33.33
Litharge, dry or ground in oil	15,767.00	950.00	473.01	315.34	157.67	3c. per lb.	49.75	2c. per lb.	33.17	.....	49.75	33.33
Oil, linseed or flaxseed, 7 1/2 lbs. to the gallon	38,535.30	21,070.14	11,560.59	9,631.22	1,929.27	30c. per gal.	54.87	25c. per gal.	45.71	.....	54.87	16.67
Castor-beans or seeds, 50 lbs. to the bushel	30,191.00	35,899.00	18,114.60	12,076.40	6,038.20	60c. per bush.	50.46	40c. per bush.	33.64	.....	50.46	33.33
Castor-oil	758.19	941.11	758.19	539.73	227.46	\$1 per gal.	80.56	70c. per gal.	56.04	.....	80.56	30.00
Opium, prepared for smoking	62,774.66	662,068.00	376,647.93	564,971.94	.....	40c. per lb.	56.89	40c. per lb.	85.33	\$188,324.01	56.89	150
Champagne, and all other sparkling wines, in bottles	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Containing each not more than 1 quart and more than 1 pint	127,048.15	1,450,380.01	762,288.85	1,143,433.33	.....	40c. per doz.	52.55	40c. per doz.	78.63	381,144.48	52.55	150
Containing each not more than 1 pint and more than 1/2 pint	128,411.97	773,224.24	385,235.90	577,853.85	.....	30c. per doz.	49.82	45c. per doz.	74.73	192,617.95	49.82	150
Containing 1/2 pint each or less	8,125.50	23,367.00	12,188.25	18,282.38	.....	\$1.50 per doz.	52.16	25c. per doz.	78.24	6,094.13	52.16	150
Collodion	52.00	52.00	52.00	25.00	27.00	50c. per lb.	100.00	50c. per lb.	50.00	.....	100.00	50.00
Ethers of all kinds	374.50	650.00	374.50	187.25	187.25	50c. per lb.	57.62	50c. per lb.	28.81	.....	57.62	50.00
Licorice, pasteurized rolls	1,336,356.60	172,777.00	121,549.14	66,817.80	54,731.34	10c. per lb.	70.34	5c. per lb.	38.67	.....	70.34	50.00
Emery grains	487,735.00	23,345.00	9,754.50	4,877.25	4,877.25	20c. per lb.	41.78	1c. per lb.	20.89	.....	41.78	50.00
Emery ore	9,619.67	31,972.00	5,771.94	2,885.97	2,885.97	40c. per ton	18.05	30c. per ton	9.03	.....	18.05	50.00
Emery, manufactured, ground, or pulverized	85,853.00	2,990.00	858.53	429.27	429.27	1c. per lb.	28.71	1c. per lb.	14.36	.....	28.71	50.00
Aniline dyes or colors	189,996.25	597,874.00	304,254.02	149,468.50	154,785.52	50c. per lb. and 35 p. c.	50.89	25 p. c.	25.00	.....	50.89	50.87

\* Less 10 per cent. during eight months and three days.

† Estimated one-third loss of revenue.



Statement of amount of duty collected during the fiscal year ending June 30, 1875, on commodities enumerated in House bill No. 3132, &amp;c.—Continued.

Commodities.	Foreign merchandise entered into consumption during the fiscal year 1875.			Estimated duties on amounts entered in 1875 at proposed rate.	Decrease of duty on amounts entered in 1875.	Rate of duty in force in 1875.	Equivalent ad valorem at rates in force in 1875.	Proposed rate in bill H. R. No. 3132.	Equivalent ad valorem under proposed rates.	Increase of duty.	Equivalent ad valorem under existing law.	Percentage of decrease.
	Quantity.	Value.	Amount of duty.									
French green, Paris green, mineral blue, and Prussian blue.....	77,549.00	18,583 00	5,574 90	2,787 45	2,787 45	30 p. c.	30.00	15 p. c.	15.00		30.00	50.00
Indian red.....	646,009.00	9,714 03	2,428 51	1,214 26	1,214 25	25 p. c.	25.00	12½ p. c.	12.50		25.00	50.00
Logwood and other dye-wood extracts, &c.....		127,496 00	12,749 60	6,374 80	6,374 80	10 p. c.	10.00	5 p. c.	5.00		10.00	50.00
Ochres, not otherwise provided for, dry.....	3,282,415.00	37,929 00	16,419 09	8,206 05	8,206 04	50c. per 100 lbs	43.27	25c. per 100 lbs	21.64		43.27	50.00
Ground in oil.....	280,517.00	12,352 00	4,207 77	2,103 89	2,103 88	\$1.50 per 100 lbs	34.07	75c. per 100 lbs	17.04		34.07	50.00
Spanish brown.....	See Indian red					25 p. c.	25.00	12½ p. c.	12.50		25.00	50.00
Umber.....	513,811.00	5,596 00	2,569 00	1,284 53	1,284 53	50c. per 100 lbs	45.91	25c. per 100 lbs	22.96		45.91	50.00
Vandyke brown.....	38,468.00	3,305 00	661 00	330 50	330 50	20 p. c.	20.00	10 p. c.	10.00		20.00	50.00
Wood lake, Venetian red, vermilion, chrome-yellow, Dutch pink, and paints and painters' colors, &c., dry or ground in oil, and moist water-colors, &c.....		341,254 60	90,503 15	42,706 83	47,796 32	25 p. c. and 35 p. c.	36.55	12½ p. c.	12.50		36.55	53.24
Potash:												
Chromate and bichromate of.....	1,417,812.00	183,424 06	44,170 16	22,356 24	15,813 92	3 and 4 c. per lb	24.08	2c. per lb	15.46		24.08	35.02
Chlorate of.....	755,791.00	161,189 00	22,673 73	11,336 87	11,336 86	3c. per lb	14.07	1½c. per lb	7.04		14.07	50.00
Hydriodate, iodate, &c.....	482.50	1,499 00	361 88	180 94	160 94	75c. per lb	24.14	37c. per lb	12.07		24.14	50.00
Acetate*.....						25c. per lb		12½c. per lb				50.00
Prussiate, yellow.....	133,023.00	32,290 00	6,651 15	6,651 15		5c. per lb	20.60	5c. per lb	20.60		20.60	50.00
red.....	9,454.00	6,791 00	1,445 40	472 76	472 70	10c. per lb	13.95	5c. per lb	6.98		13.95	50.00
Quinine, salts of.....	1,427.75	2,286 00	1,001 70	335 90	667 80	45 p. c.	45.00	15 p. c.	15.00		45.00	66.66
Saleratus and bicarbonate of soda.....	6,853,588.00	231,754 86	102,803 81	51,401 91	51,401 90	1½c. per lb	44.30	¾c. per lb	22.18		44.36	50.00
Sal soda.....	27,666,534.00	379,857 00	69,166 32	34,583 16	34,583 16	¾c. per lb	18.21	¾c. per lb	9.11		18.21	50.00
Soda-ash.....	170,892,671.00	3,532,600 71	427,231 67	213,615 83	213,615 84	4c. per lb	12.09	4c. per lb	6.05		12.09	50.00
Caustic.....	37,669,885.00	1,419,292 00	565,048 39	282,524 19	282,524 20	1½c. per lb	39.53	¾c. per lb	19.77		39.53	50.00
Hyposulphate of, and all carbonates of.....						30 p. c.	30.00	10 p. c.	10.00		20.00	50.00
Vitriol, white, or sulphate of zinc.....	19,696.00	471 00	94 20	47 10	47 10	30 p. c.	30.00	10 p. c.	10.00		20.00	50.00
Blue.....	77,215.00	6,637 00	3,088 60	1,544 30	1,544 30	4c. per lb	46.38	3c. per lb	23.19		46.38	50.00

\* Acetate potash, in dutiable and free.

† Per cent. increase.

## FREE OF DUTY.

Quantity, value, rate, and amount of duties received for the fiscal year ended June 30, 1875.

Articles.	Quantity.	Value.	Present rate of duty.	Amount of duty received in 1875.
Acetates of—				
Ammonia.....	4	\$11 00	25cts. p. lb	\$1 00
Baryta.....			25cts. p. lb	
Copper.....	404	140 00	10cts. p. lb	40 40
Iron.....	3,558.50	718 00	25cts. p. lb	177 92
Lead, brown.....	58	15 00	5 cts. p. lb	5 40
Lead, white.....			10cts. p. lb	
Lime.....	2,292,401	73,926 00	25cts. p. lb	18,481 50
Magnesia.....	346	1,535 10	50cts. p. lb	173 00
Potassa.....			25cts. p. lb	
Soda.....	65	24 00	25cts. p. lb	16 25
Strontia.....			25cts. p. lb	
Zinc.....			25cts. p. lb	
Acids:				
Acetic, acetons, and pyroligneous—				
Specific gravity 1.047, or less.....	754	138 00	5 cts. p. lb	37 70
Specific gravity of over 1.047.....	0.50	4 00	30cts. p. lb	15
Benzole.....	2,671.25	5,671 00	10 p. c.	567 10
Carbolic liquid.....	58,071.50	27,046 00	10 p. c.	2,704 60
Chromic.....	45	22 00	15 p. c.	3 30
Citric.....	30,890	30,438 00	10cts. p. lb	3,089 00
Galle.....	11	39 00	21 p. lb	11 00
Nitric.....			10 p. c.	
Sulphuric, fuming (Nordhausen).....			1 c. p. lb	
Tannic.....	117	69 00	21 p. lb	117 00
Tartaric.....	403	156 00	15cts. p. lb	60 45
All other, used for medicinal purposes or the fine arts.....		6,307 00	10 & 20 p. c.	1,238 40
Alum, patent alum, &c.....	6,951,396	112,516 00	60 cts. p. 100 lbs.	41,708 37
Ammonia:				
Sulphate of.....	84,695	1,422 00	20 p. c.	288 40
Carbonate of.....	680,345	83,812 00	20 p. c.	18,762 40
Sal ammonia or muriate of.....	658,724	58,324 00	10 p. c.	5,832 40
Antimony, crude, and regulus of.....	1,238,823	131,360 00	10 p. c. & 10 less 10 p. c.	12,175 64
Asphaltum.....	3,351,855	26,006 40	25 p. c.	6,501 60
Asafetida.....	79,097	8,982 00	20 p. c.	1,796 40

## FREE OF DUTY—Continued.

Quantity, value, rate, and amount of duties received for the fiscal year ended June 30, 1875.

Articles.	Quantity.	Value.	Present rate of duty.	Amount of duty received in 1875.
Balsams.....		\$23 00	30 p. c.	\$6 90
Barytes:				
Sulphate of.....	2,117,854	17,995 00	1 c. p. lb	10,599 22
Nitrate of.....		5,881 00	20 p. c.	1,176 20
Benzox.....		8,009 00	20 p. c.	1,601 80
Benzoates.....			30 p. c.	
Black of bone, or ivory-drop black.....			25 p. c.	
Bladders, manufactures of.....		263 00	30 p. c.	258 90
Books, in other than the English, Greek, and Latin languages.....	Not given separately.		25 p. c.	
Borax, refined.....	5,153	1,224 15	10cts. p. lb	515 30
Bromine, in rolls or refined.....			\$10 p. ton	
Brick.....	3,277 37		20 p. c.	655 51
Fire-brick.....	30,325 42		20 p. c.	10,065 09
Roofing-tile.....	45,359 68		20 p. c.	9,071 93
Bulbous roots, not otherwise provided for.....	60,661 71		30 p. c.	18,198 51
Calomel.....	2,424	2,817 25	30 p. c.	845 17
Camphor, refined.....	30,236	6,462 00	5 cts. p. lb	1,511 80
Chloroform.....	27	18 00	21 p. lb	27 00
Cobalt, oxide of.....	678	2,604 00	20 p. c.	520 80
Coke.....	934	9,648 00	25 p. c.	2,412 00
Copperas, green vitriol, or sulphate of iron.....	138,473	1,171 00	1 c. p. lb	692 37
Copper ore, including matte.....	16,714	2,092 00	3 c. p. lb	501 42
regulus of.....	12,518	2,076 00	4 c. p. lb	500 72
Crayons, of all kinds.....		6,664 00	30 p. c.	1,999 20
Dried pulp.....			20 p. c.	
Finishing powder.....			20 p. c.	
Fish skins.....			20 p. c.	
Frankfort black, and Berlin, Chinese, fig, and wash blue, dry.....			20 p. c.	
Glass, window, painted or stained, imported by and for the use of philosophical, educational, literary, scientific, or religious associations, and not for sale.....			40 p. c. & 20 p. c.	
Grease, all, not specified.....	22,362 50		10 c. p. lb	10,814 55
Gum substitute or burnt starch, lbs.....	610,050	35,085 00	10 p. c.	3,608 50
Hair, curled, used for beds or mattresses.....		58,882 00	30 p. c.	17,664 60

## FREE OF DUTY—Continued.

Quantity, value, rate, and amount of duties received for the fiscal year ended June 30, 1875.

Articles.	Quantity.	Value.	Present rate of duty.	Amount of duty received in 1875.
Hair of hogs	3,800	\$57 00	1 c. p. lb.	\$38 00
Lemon juice	Not given separately.		10 p. c.	
Magnesia: Carbonate of..... lbs.	186,106	17,543 00	6 c. p. lb.	11,106 36
Calcined..... lbs.	22,251	7,492 00	12 c. p. lb.	2,670 12
Mineral and bituminous substances in a crude state, not otherwise provided for, except chromate of iron		18,891 17	20 p. c.	3,778 23
Mineral kermes			10 p. c.	
Oil: Cod-liver, crude..... gals.	14,027	7,734 00	20 p. c.	1,546 80
Cod-liver, medicinal		16,960 30	40 p. c.	6,784 14
Paints: Blanc-fixe, enameled white, asti-white, lime-white, and all combinations of barytes with acids or water..... lbs.	145,728	4,899 00	3 c. p. lb.	4,371 84
Carmine lake, dry or liquid..... lbs.	446,227	59,778 00	10 p. c.	5,977 80
Indigo extracts..... lbs.			20 p. c.	
Indigo carmine..... lbs.			20 p. c.	
Iron liquor..... lbs.			20 p. c.	
Lamp-black..... lbs.			20 p. c.	
Paper size..... lbs.			20 p. c.	6 40
Paving-stones.....		2,016 90	10 p. c.	201 69
Pitch.....		60 00	20 p. c.	12 00
Plants: Fruit, shade, lawn, and ornamental trees, shrubs, plants, and flower-seeds, not otherwise provided for.....		73,743 65	20 p. c.	14,748 73
Garden seeds, and all seeds for agricultural and horticultural purposes, not otherwise provided for.....		325,465 54	20 p. c.	65,093 10
Polishing powder of all descriptions.....		10,113 00	25 p. c.	2,528 25
Red precipitate.....			20 p. c.	
Resins, gum, not otherwise provided for..... lbs.	10,334	9 00	20 p. c.	1 80
Resin..... lbs.		648 80	20 p. c.	129 76
Rochelle salts..... lbs.			5 c. p. lb.	
Roman cement.....		961,741 16	20 p. c.	192,348 22
Salts: Epsom..... lbs.	21,593	364 00	1 c. p. lb.	215 93
Glauber..... lbs.	71,593	2,256 00	1 c. p. lb.	357 97
Santonine..... lbs.	101	474 00	3 p. lb.	303 00
Sponges.....		110,440 45	10 p. c.	22,088 09
Starch: of potatoes or corn..... lbs.	636,029	22,180 01	1 c. p. lb. & 20 p. c.	10,796 29
of any other material..... lbs.	5,953	485 35	3 cts. p. lb. & 20 p. c.	275 66
Strychnine, salts of..... oz.	1	5 00	\$1 p. oz.	1 00
Sulphur, flowers of..... lbs.	39,929	891 00	\$20 p. ton & 15 p. c.	490 24
Tallow..... lbs.	49,537	4,414 50	1 c. p. lb.	495 37
Tannin, (see Acid, tannic)..... lbs.			\$2 p. lb.	
Tar..... bbls.	425 50	2,501 35	20 p. c.	500 27
Tartar emetic..... lbs.	1,776	682 00	15 cts. p. lb.	266 40
Total				434,170 80

## RECAPITULATION.

Articles.	Average ad valorem rate of duty.		Percentage of decrease.
	Duties received in 1875.	Proposed bill.	
Cotton, manufactures of.....	37.38	30.69	17.9
Iron and other metals, and manufactures of.....	36.26	24 11	33.51
Wool and woolen manufactures.....	55.66	40.99	26.68
Average percentage of decrease on dutiable articles.....			20.58

Estimated decrease of duty under the proposed tariff bill, No. 3132:

Decrease of duty from the actual receipts of the fiscal year 1875..... \$12,182,454 50

Add amount of duties not collected during eight months and three days under the provisions, less 10 per cent, namely:

Cotton goods.....	\$702,315 31
Iron and steel.....	581,932 06
Wool and woollens.....	2,859,153 16
Lead.....	54,588 72
Copper.....	2,783 44
Other articles.....	16,962 83
Total decrease.....	4,917,675 50

Increase of duties, estimated on the basis of imports of 1875: 16,400,130 00

Block tin.....	\$345,757 44
Cigars and cigarettes.....	44,122 11
Leaf, unmanufactured, &c.....	376,979 88
Opium.....	188,324 01
Champagne, quart.....	579,856 56
Total.....	1,535,040 00

Net decrease on basis of imports of 1875..... 14,865,090 00

By the bill as originally introduced, it will be found that the duties upon luxuries of life, upon which, by every principle of common sense and human justice taxation should fall as the most fitted for this necessary infliction, were, with one exception, invariably lightened. On the items of dress and piece silks, ribbons, and velvets it was proposed to reduce the duty from 60 to 40 per cent.—a decrease in the revenue upon those items alone, and to that extent a direct loss to the national revenues from a source the best fitted to supply it, of \$2,894,411.32. True, as an understood compromise by which the bill has been reported, they are here restored to present rates, but still leaving the enormous deficiency in revenue above recorded. On the item of kid gloves there is a loss of over \$2,000,000, and the change from an *ad valorem* to a specific duty works in a remarkable manner and to an absurd extent to the detriment of those only able to buy an inferior glove. For example, a glove costing \$12 per dozen has a duty imposed thereon of \$4, making the total cost \$16, or equal to a duty of 33½ per cent.; while one costing \$24 per dozen with the added duty of \$4, making \$28 per dozen, pays but a duty of 16½ per cent.; a manifest injustice and discrimination in favor of the quality best able to pay the higher duty. And so with other descriptions of the article. The very thought that the first business measure proposed by a democratic House, in these troublous times, should be aimed at the ruin of domestic manufacturing is startling.

And this naturally suggests the question of the effects of protection. Has it enlarged the sphere of home production and cheapened the price to the consumer? I affirm that it has done both. The figures I have already referred to illustrate the one, and the following extract from the forthcoming annual report of the secretary of the American Iron and Steel Association are convincing evidences of the latter:

The price of domestic cottons, (heavy sheetings,) of the kind first made in this country at Waltham, Massachusetts, was as follows for a series of years after protection was extended to its manufacture: 1816, 30 cents a yard; 1819, 21 cents; 1826, 13 cents; 1829, 8½ cents; 1843, 6½ cents. English calicoes, made in Manchester, once sold in this country at from 25 to 40 cents a yard. The printing of American calicoes was not successful until after the passage of the tariff of 1824, because not sufficiently protected. From that year the prices by the package of Merrimack prints, equal to the best Manchester, have ranged as follows: 1825, 23 cents per yard; 1857, 16½ cents; 1835, 16 cents; 1840, 12 cents; 1845, 11 cents; 1850, 9½ cents; 1855, 9 cents; 1875, 8 cents. Domestic brown drillings were first made about 1828 and sold at 15½ cents a yard by the package. In 1860 the price had fallen to 7½ and 9 cents. The domestic manufacture of fine lawns was introduced under the stimulus afforded by the tariff of 1842, and they were first sold in 1847. Similar goods, imported from England in 1846, were sold at from 28 to 30 cents. Both foreign and American lawns were sold in 1847 at from 12 to 15 cents. American lawns subsequently sold as low as 9 cents a yard, and foreign lawns were driven from the market.

The history of a celebrated manufactory of saws in this country presents a striking example of the cheapening effects of protective duties. During the revolutionary war, and for many years afterward, saws were not made here. All our saws came from abroad, and we paid for them just what foreigners were pleased to charge us. In 1840 an American mechanic, Henry Diston, commenced the manufacture of saws in Philadelphia in a small way. At that time English saws, with the name of the maker marked upon them, sold in our markets at prices ranging from \$15.75 to \$19 a dozen. Mr. Diston was obliged to sell his saws for less money, as his goods were unknown, while the English saws had a reputation; but after the Diston saw became known and its reputation was established, the English saws were gradually driven out of our markets and prices were still further reduced to consumers. In 1876 Henry Diston & Sons are sending saws to England, warranted equal to the best saws made in that country, and selling them at \$10.50 a dozen, fully 50 per cent. less than the price Englishmen charged us in 1840. When Mr. Diston commenced business, inferior saws of foreign manufacture were sold in this country at \$4.50 a dozen, and he could not make a saw for less than \$7 a dozen; but now Henry Diston & Sons ship common saws to South America at \$4.50. The exports of their goods in 1875 amounted to fully \$100,000. But for protection, Henry Diston and his sons never would have been in a position to compete successfully in this country with foreign makers of saws; they never would have been able to find a market in other lands in one year for one hundred thousand dollars' worth of their products; this country never would have had as cheap saws as are now supplied to it; and all the benefits resulting from the employment of the labor of the country in the manufacture of saws never would have had an existence.

Before axes were made in this country, except by country blacksmiths, English axes cost our farmers and others from \$2 to \$4 each. By the tariff of 1825 a protective duty of 35 per cent. was levied upon imported axes. Under this protection the Collins Company, of Hartford, introduced labor-saving machinery, much of which was invented, patented, and constructed by themselves. In 1836 foreign and home-made axes were selling side by side in the American market at \$15 to \$16 per dozen, at which time foreign producers withdrew their competition, abandoning the entire market to the American manufacturers. Then home rivalry and improved methods continued the decline in prices. Axes were selling in 1839 at \$13 to \$15.25 per dozen; in 1840, at \$13 to \$14; in 1843, at \$11 to \$12; in 1845, at \$10.50 to \$11; in 1849, at \$8 to \$10. In 1876 the price of the best American axes in the market is \$9.50



per dozen in currency, and the country exports large quantities to foreign markets. English writers admit the superior excellence of American axes.

I append hereto a table showing the manufactures of silk in 1860, both in the United States and the following States separately.

Notwithstanding the drawbacks of civil war, an examination of the year ending December 31, 1874, shows an increase of \$2,000,000 in this industry alone, and this in the face of an unusually depressed condition of commercial affairs to an extent rarely equaled:

Statement showing the manufactures of silk in 1860.

States.	Materials.					Products.						
	Raw silk.	Silk yarn.	Chemicals.	Other materials.	All materials.	Silk goods.	Silk ribbon.	Machine-silk.	Spool-silk.	Silk thread.	All other products.	All products.
	Pounds.	Pounds.	Dollars.	Dollars.	Dollars.	Yards.	Yards.	Pounds.	Pounds.	Pounds.	Dollars.	Dollars.
The United States.....	684,488	48,456	209,224	853,796	7,817,559	1,026,422	3,224,264	370,031	127,590	19,000	3,980,357	12,210,602
Connecticut.....	175,839	.....	81,674	407,737	2,649,834	636,282	447,664	143,702	36,790	.....	.....	3,314,845
Massachusetts.....	101,650	.....	46,500	33,900	937,000	.....	160,000	82,800	68,900	.....	.....	1,462,500
New Hampshire.....	2,000	.....	350	.....	14,350	.....	.....	2,000	.....	.....	.....	25,000
New Jersey.....	259,727	24,440	43,800	90,555	2,678,161	352,100	1,294,600	55,529	13,400	.....	2,182,784	3,998,964
New York.....	111,843	.....	.....	24,805	1,311,385	.....	22,000	77,500	7,500	.....	644,573	1,826,073
Pennsylvania.....	32,429	36,016	30,700	306,664	919,024	38,040	1,300,000	6,500	.....	19,000	1,053,000	1,632,900
Vermont.....	1,000	.....	200	145	7,805	.....	.....	.....	1,000	.....	.....	10,350

I also append the following table exhibiting the details of this industry for the year 1874, which shows its wonderful growth, and gives unanswerable promise of its future:

Value of products classified by articles manufactured in the year ending December 31, 1874.

	Pounds.	Value.
Tram.....	375,659	\$2,911,655
Organzine.....	140,080	800,000
Spun silk.....	18,845	169,270
Floss silk.....	6,300	43,000
Sewing silk.....	62,657	917,809
Machine twist.....	414,285	4,848,838
Dress silks.....	1,400,000	1,163,961
Millinery and necktie silks.....	.....	313,516
Handkerchiefs.....	.....	500,000
Foulards.....	.....	2,776,836
Ribbons.....	.....	306,790
Braids and bindings.....	.....	103,000
Laces.....	.....	33,706
Vells and veiling.....	.....	68,000
Military trimmings.....	.....	340,000
Upholstery trimmings.....	.....	3,444,700
Ladies' dress trimmings.....	.....	.....

Total value of products January 1 to December 31, 1874.....

	Pounds.	Value.
Reeled silks consumed.....	897,946	\$3,229,973
Spun silks consumed.....	140,000	890,000
Total silk threads.....	1,037,946	9,629,973
Consumed in sewings and twist.....	497,142	5,766,648
Consumed in weaving.....	540,804	3,863,325

It has been the policy of nearly all of our tariff bills heretofore, and a wise and beneficent policy, as the most superficial review of the facts and figures will show, to levy high duties on what are termed the luxuries of life. And, in this connection, it may be remarked that a high duty, increasing the cost and repressing the ability to yield to the temptation of a luxurious living, in my opinion, has a strong reactionary moral influence over the habits and character of a people. It tends to frugality in life. By a system of social policy, those on a higher plane, who cannot afford to indulge in excessive expenses of living, cast, by their example, a healthful social glow over the lives of those around them. It is easy and natural to follow in the wake of those who excel us in the so-called favorable circumstances of life. If they are necessitated to avoid overindulgence, it is a strong support to us. So, too, many have deemed a high rate of duty upon articles of this description of vast benefit to the wealth of a nation. Every dollar of luxurious value brought into the country from abroad must be paid for in the sweat of domestic labor and production; hence the fewer in number and value the articles of foreign manufacture imported not necessary to the benefit and comfort of the home purchaser, the less the country is drained to pay for the same.

Under the present tariff the value of silks and the manufactures thereof imported, including braids, laces, fringes, galloons, dress and piece goods, ribbons, velvets, and all other manufactures, of silk, amounted to \$24,516,415.00, and the amount of duty collected was

\$14,037,998.14. The original bill proposed, and the amendments to the bill before the House which I understand are to be offered, will propose, to reduce this duty to the sum of \$3,733,109 on the same amount of imports—about one-fourth the present sum realized, or a reduction of nearly 75 per cent. The manufacture of silk, it will be perceived, is a new and growing industry in our country, and needs and is justly entitled to a full measure of protection. Under that hitherto accorded it has thriven apace. Why lessen it? Why strike the tax from the overflowing plenty of the rich to visit it upon the very sustenance of the poor?

Now, when suffering under the nervous reactionary prostration of war, a fluctuating currency, the shrinking timidity of capital, 33½ per cent. of duty is struck from the work of the competing millions of European labor, grooved down into a life systematized to the more imperious domination of capital over labor, and worked with all the ceaseless activity of machinery. The same remarks are applicable to the manufacture of cotton and wool. Under the beneficent providence of God, this vast area of territory, which seems to have been especially marked out for the home of the oppressed peoples of all the earth, is prolific in the abundance of its productions. Under the legislation of the past, the manufacturing capacity of the country has increased from \$115,681,774, in 1860, to \$177,489,739 in 1870 in goods of cotton composition, while those of wool have risen in value at the enormous rate of from \$61,895,217 to \$155,405,358 in the same series of years. I append tables exhibiting the particulars of this wonderful development.

Statement showing the manufactures of cotton and woolen goods in 1860.

Manufactures.	Quantity.	Value.
Cotton goods:		
sheetings, shirtings, printing cloths, &c yds..	1,148,252,406	\$115,681,774
yarn and thread.....lbs..	47,241,603	
bats, wicking, and wadding.....lbs..	12,967,956	
Woolen goods:		
cloth.....yds..	124,897,802	61,895,217
yarn.....lbs..	6,401,206	
shawls.....no..	616,400	
blankets.....prs..	296,874	

Statement showing the manufactures of cotton goods in 1870.

Cotton goods.	Quantity or value.
Materials:	
cotton.....lbs..	398,308,257
cotton yarn.....lbs..	6,222,189
cotton waste.....lbs..	5,234,260
mill supplies.....	\$10,910,672
all materials.....	\$111,736,936
Products:	
sheetings, shirtings, and twilled goods.....yds..	478,904,513
lawns and fine muslins.....yds..	34,333,462
print cloth.....yds..	489,250,653
yarn not woven.....lbs..	30,301,087
spool thread.....dozs..	11,560,241
wrap.....yds..	73,018,045
bats, wicking, and wadding.....lbs..	11,118,127
table-cloths, quilts, and counterpanes.....do..	493,892
seamless bags.....do..	2,767,060
cordage, lines, and twines.....lbs..	5,657,454
flannel.....yds..	8,390,050

## Statement showing the manufactures of cotton goods in 1870.—Continued.

Cotton goods.	Quantity or value.
Products—Continued.	
thread.....lbs.	906,068
ginghams and checks.....yds.	39,275,244
cotton-waste.....lbs.	7,921,449
tape and webbing.....lbs.	454,400
seamless bags.....lbs.	403,385
casimeres, cottonades, and jeans.....yds.	13,940,895
other products.....lbs.	10,811,029

All products, 349,314,592 pounds, \$177,489,739.

## Statement showing the manufactures of woolen goods in 1870.

Woolen goods.	Quantity or value.
Materials:	
cotton.....lbs.	17,571,929
shoddy.....do.	19,372,062
warp cotton.....do.	1,312,560
warp.....do.	140,733
wool, domestic.....do.	154,767,095
wool, foreign.....do.	17,311,694
yarn, cotton.....do.	3,263,949
yarn, woolen.....do.	2,573,419
chemicals and dye-stuffs.....do.	\$5,833,346
all other materials.....do.	\$5,670,250
all materials.....do.	\$96,432,601
Products:	
blankets.....prs.	2,000,439
blankets, horse.....do.	58,552
beavers.....do.	261,208
cloth, casimeres, and doekins.....yds.	63,340,612
cloth, felt.....do.	1,941,865
cloths, negro.....do.	1,932,382
cottonade.....do.	75,000
coverlets.....No.	226,744
flannels.....yds.	58,965,286
frocking.....do.	75,000
hosiery.....dos.	21,460
jeans.....yds.	24,489,985
kerseys.....do.	5,506,902
linseys.....do.	14,130,374
repellants.....do.	2,663,767
robes, carriage.....No.	22,500
rolls.....lbs.	8,623,089
satinetas.....yds.	14,072,559
shawls.....No.	2,312,761
skirts, balmorel.....yds.	280,000
skirts, balmorel.....yds.	\$1,217,800
tweeds and twills.....yds.	2,853,438
warp.....lbs.	122,000
yarn.....do.	14,156,237
yarn, hosiery.....do.	223,000
yarn, shoddy.....do.	1,569,000
goods not specified.....do.	102,000
miscellaneous articles.....do.	\$3,251,368
Value of total products.....	155,405,358

This has only been accomplished by the development of labor, brought about by the investment of capital seeking thus, as it ever does, new and enlarged channels of profit. Remove your duties, and capital, finding no longer the attractive lure of gain, departs therewith; labor is left not only unemployed, but is losing, by an inverse ratio, that great quality of its worth, the smoothness, finish, and adaptability which come from the improvement of time and action. And yet, by the strange reasoning of this bill, all of this development is wrong and suicidal, and a blow is to be struck at the source of it to the extent of a reduction of over \$1,700,000 on cotton manufactures alone. Again, sir, in iron, another blow is aimed at the industries and industrial classes of the country, and with nearly all of the furnaces out of blast, a reduction in duty is proposed of nearly 30 per cent., or \$2 per ton. I beg to call attention to the following statement, showing the rates of duties upon the following descriptions of iron under the several tariff acts from July 4, 1819, to March 3, 1875: [See next page.]

In addition to this statement, and to be compared and studied with it, is the following statement showing the production of pig-iron of all kinds in the United States from 1854 to 1875, inclusive, in tons of 2,000 pounds each:

Years.	Tons.	Years.	Tons.
1854.....	736,218	1865.....	331,582
1855.....	784,178	1866.....	1,350,943
1856.....	863,137	1867.....	1,461,636
1857.....	796,137	1868.....	1,603,090
1858.....	705,094	1869.....	1,916,641
1859.....	840,697	1870.....	2,050,000
1860.....	919,770	1871.....	1,900,000
1861.....	731,544	1872.....	2,854,558
1862.....	788,602	1873.....	2,868,278
1863.....	947,604	1874.....	2,689,413
1864.....	1,135,497	1875, (estimated).....	2,068,696

Thus it will be seen there has been an increase of nearly 400 per cent. in the product of pig-iron of all kinds from 1854 up to 1873, while the estimated loss for the year 1875 reaches nearly 800,000 tons,

as compared with 1873, from the depression following the crisis of the latter year. And yet this is the chosen time to strike the reckless blow proposed in this bill. Herewith is also appended a table exhibiting the production of railroad iron in the United States from 1854 to 1872, inclusive, in tons of 2,000 pounds each:

Years.	Tons.	Years.	Tons.
1854.....	108,016	1865.....	336,292
1855.....	138,674	1866.....	430,778
1856.....	180,018	1867.....	462,108
1857.....	161,918	1868.....	506,714
1858.....	163,719	1869.....	563,586
1859.....	185,454	1870.....	620,000
1860.....	205,036	1871.....	775,000
1861.....	180,818	1872.....	850,000
1862.....	213,919	1873.....	890,077
1863.....	275,768	1874.....	729,413
1864.....	335,369	1875.....	

Here it will be seen that, under the fostering influence of protection, there has been an advance in production of nearly 800 per cent. in eighteen years. But, sir, let us turn, if we would obtain a correct idea of the magnitude of this branch of industry, to the official figures. We find that in 1870 the manufacture of iron amounted, in the value of products, to the large sum of \$346,952,694, divided as follows:

## Manufactures of iron in 1870.

[From the census reports.]

Iron, pig.....	\$69,640,498
Iron, castings, (not specified).....	76,453,353
Iron, stoves, heaters, and hollow ware.....	23,389,665
Iron, blooms.....	7,647,054
Iron, forged and rolled.....	198,063,627
Iron, anchors and cable chains.....	634,200
Iron, bolts, nuts, washers, and rivets.....	7,191,151
Iron, nails and spikes, cut and wrought.....	94,823,996
Iron, pipe, wrought.....	7,369,194
Iron, railing, wrought.....	1,268,756
Iron, ship-building and marine engines.....	472,000
Total.....	346,952,694

And how do we find protection work here? Let us see. Three years ago, or before the present tariff went into operation, Sheffield, England, exported to the United States cutlery and steel to the amount of £1,700,000. In 1875 this amount had shrunk to the sum of £690,000. If, now, we turn to our domestic exports, we will find that in former years we exported neither iron nor steel to Great Britain in any appreciable quantities or to any considerable extent. But, in 1875, the value of iron and the domestic manufactures thereof exported to Great Britain reached the sum of \$11,002,892, and during the same year the value of steel and the manufactures thereof exported to the same country reached the sum of \$7,232,636. Indeed, the results of protection are admirably exhibited in this branch of industry which has thereby been brought to a perfection which now enables us to compete with the first markets of the world. The New York Herald of April 5, of this year, contained the following in its foreign news:

LONDON, April 4, 1876.

The American consul at Sheffield has furnished the Liverpool Courier official statistics of the local trade with the United States for the quarter ending March 31, 1876, showing a total of \$585,000, against \$2,275,000 for the first quarter of 1873.

LIKELY TO COME OVER.

The Liverpool Courier says it is rumored that a great Sheffield concern is about to transfer its plant to the United States.

Can we have an illustration more unanswerable?

Now, sir, in addition to the decrease of \$2 per ton on pig-iron, the proposition goes further and includes not only the raw material, but a reduction of from 25 to 40 per cent. on the manufactured article. This will cause a loss of nearly two millions of dollars in revenue from this one item alone.

As a practical illustration and fair sample of the manner in which this bill has been put together, how little attention seems to have been paid to any interest or welfare but that of other nations, I desire the Clerk may read the memorial I send to his desk.

The Clerk read as follows:

A memorial to the Committee of Ways and Means on the subject of duty on wire-rope.

SIR: The capital now invested in wire-rope works in the United States amounts to about \$3,000,000, the manufactures being located in the eastern, western, and Pacific States. The firms now engaged in this business invested their capital and commenced at a time when there was but little demand for wire-rope, and the use of the article was mainly developed by the manufacturers themselves. Not less than seven-eighths of all the wire-rope in this country is made of imported iron and wire, or which there is a duty. It is manifest that under the most favorable circumstances the cost to the American manufacturer must be at least as much more than the foreign as the value of transportation of the raw material; that the existing legislation, which imposes a duty on the raw material and admits free the manufactured article, is hostile to home interests, discriminating without reason in favor of foreign manufacturers. The cost of a home manufacturer is increased, in addition to the transportation, the amount of the impost.

The reason that American wire-rope manufacturers were enabled to do business and extend their works was that the trade was not of sufficient importance and magnitude to warrant foreign manufacturers in using any exertion to make sales in this country. This, however, is now changed, as the wire-rope trade has assumed considerable importance, and importers are using every exertion to take the trade which has wholly been built up by Americans, who now have their capital invested, which will be lost unless some relief is afforded. It would seem but equitable and just that a duty should be imposed on the manufactured rope; it now pays no duty, except as wire.

For comparison below are mentioned a few articles, with the duty on the raw material, as also the duty on the manufactured article. Each of these articles requires about the same amount of labor between the raw material and the finished product as wire-rope does:



*Duty on raw material.*  
Hemp and manila, \$25 per ton.  
Hemp and manila, \$25 per ton.

Iron rods for chain, 1½ cents per pound.

Wood-screws, 2 cents per pound and 15 per cent, and 3½ cents and 15 per cent.  
Iron for bolts, 1½ and 1½ cents per pound.

Wire covered with silk, cotton, &c., 5 cents per pound over wire duty.

*On manufactured article.*  
Tarred cordage, 3 cents per pound.  
Untarred cordage, 2½ to 3½ cents per pound.  
Chain, less than ½ inch, 2½ to 3½ cents per pound.  
Wood-screws, 8 cents to 11 cents per pound.  
Bolts, 2½ cents per pound.

From the foregoing it appears that the general rule is that where the raw material is taxed a much heavier impost is levied on the manufactured article, and yet by the existing legislation in reference to this matter the rule is reversed. We therefore respectfully request the attention of your committee to this subject, and suggest that there be imposed on wire-rope, (both round and flat,) wire-cables, and wire-strands a duty in addition to that imposed on the wire of which they are made.

Respectfully submitted by  
JOHN A. ROEBLING SONS' CO.,  
HAZARD MANUFACTURING CO., &c.

Hon. W. R. MORRISON, *Chairman.*

Statement showing the rates of duties upon the following descriptions of iron under the several tariff acts from July 4, 1789, to March 3, 1875.

Under the act of—	Pig-iron classified as—		Iron, more advanced than pig, and described as—											
	An unenumerated article.	Pig-iron.	Rolled or hammered.	Rolled or hammered for band-iron.	In bars, blooms, bolts, hoops, rods, slabs, or other form.	Bars, rolled or hammered, &c., including flats under 1 and not over 2 in. wide, and rounds less than 4 in. in diameter, and squares not over 4 in. square.	Bars and flats, not less than 1 nor more than 7 in. wide, ½ to 3 in. thick, value under \$50 per ton.	Bars and flats, not less than 1 nor more than 7 in. wide, ½ to 3 in. thick, value over \$50 per ton.	Bars, rolled or hammered, comprising flats less than 7 in. wide, rounds less than 4 or more than 4 in. in diameter, and squares less than 4 or more than 4 in. square.	Bars, including flats under 1 and not over 6 in. wide, not under ½ nor over 3 in. thick, and rounds not under ½ nor over 3 in. diameter, and squares not under ½ nor over 3 in. square.*	Bars, including flats under 1 and not over 3 in. thick, and not under 1 nor over 6 in. wide, rounds under ½ nor over 3 in. diameter, and squares less than ½ nor more than 3 in. square.*	Rolled or hammered, not otherwise provided for.	Round, or square, or broader rods ½ to 10-16 in. diameter.	Bars or bolts, not manufactured in whole or part by rolling.
July 4, 1789	5 c.	7 c.	7 c.			Ton.	Ton.	Ton.	Ton.					
August 10, 1790	5 c.	7 c.	7 c.											
March 2 and 3, 1791	5 c.	7 c.	7 c.											
May 2, 1792	7 c.	10 c.	10 c.											
June 5 and 7, 1794	10 c.	15 c.	15 c.											
January 29, 1795	10 c.	15 c.	15 c.											
March 3, 1797	12 c.	15 c.	15 c.											
July 8, 1797	12 c.	15 c.	15 c.											
May 13, 1800	12 c.	15 c.	15 c.											
Mar. 26 and 27, 1804	15 c.	17 c.	17 c.											
March 3, 1807	15 c.	17 c.	17 c.											
March 4, 1808	15 c.	17 c.	17 c.											
July 1, 1812	30 c.	35 c.	35 c.											
February 25, 1813	30 c.	35 c.	35 c.											
July 20, 1813	30 c.	35 c.	35 c.											
March 3, 1815	30 c.	35 c.	35 c.											
February 5, 1816	30 c.	35 c.	35 c.											
April 27, 1816	\$10 00 per ton.	cwt. 50 c.	30 c.										cwt. 45 c.	cwt. \$1 50
April 30, 1818		cwt. 50 c.	30 c.										cwt. 75 c.	cwt. 1 50
March 3, 1819		cwt. 50 c.	30 c.										cwt. 75 c.	cwt. 1 50
May 22, 1824	\$12 50 per ton.	cwt. 50 c.	lb. 3 c.										lb. 3 c.	cwt. 90 c.
February 11, 1825		cwt. 50 c.	lb. 3 c.										lb. 3 c.	cwt. 1 50
May 19, 1828		cwt. 50 c.	lb. 3 c.										lb. 3 c.	cwt. 1 50
May 24, 1828	\$12 50 per ton.	cwt. 62 c.	lb. 3 c.										lb. 3 c.	lb. 1 c.
May 20, 1830		cwt. 62 c.	lb. 3 c.										lb. 3 c.	lb. 1 c.
May 29, 1830		cwt. 62 c.	lb. 3 c.										lb. 3 c.	lb. 1 c.
July 13, 1832	\$10 00 per ton.	cwt. 50 c.	lb. 3 c.										lb. 3 c.	cwt. 90 c.
July 14, 1832		cwt. 50 c.	lb. 3 c.										lb. 3 c.	cwt. 90 c.
Under operation act		cwt. 50 c.	lb. 3 c.										lb. 3 c.	cwt. 90 c.
March 2, 1833—	\$10 00 per ton.	cwt. 50 c.	lb. 3 c.										lb. 3 c.	cwt. 90 c.
July 4, 1836		cwt. 50 c.	lb. 3 c.										lb. 3 c.	cwt. 90 c.
Sept. 11, 1841		cwt. 50 c.	lb. 3 c.										lb. 3 c.	cwt. 90 c.
as in force June 30, 1842		cwt. 50 c.	lb. 3 c.										lb. 3 c.	cwt. 90 c.
August 30, 1843		ton \$9 00	lb. 2½ c.										lb. 3 c.	cwt. 90 c.
July 30, 1846		30 c.				30 c.							lb. 3 c.	ton \$17
March 3, 1857		24 c.				24 c.							ton \$17	ton 25 00
March 2, 1861		ton \$6 00				ton \$15	15 00						ton \$30 00	ton \$12
Aug. 5, 1861; Dec. 24, 1861		ton 6 00				ton 15	15 00						ton 20 00	ton 13
July 14, 1862; Mar. 3, 1863		ton 6 00					\$17 00	\$18 00	\$20 00				ton 25 00	ton 13 50
June 30, 1864; Mar. 3, 1865; Mar. 16, 1866		ton 9 00												100 lbs. 60 c.
May 16, 1866; June 1, 1866		ton 9 00												100 lbs. 70 c.
July 28, 1866; Mar. 2 and 22, 1867		ton 9 00												100 lbs. 70 c.
Mar. 25, 26, 29, 1867; Feb. 3, 1868		ton 9 00												100 lbs. 70 c.
July 30, 1868; Feb. 19, 24, 1869		ton 9 00												100 lbs. 70 c.
July 14, Dec. 22, 1870		ton 7 00												100 lbs. 70 c.
June 6, 1873		ton 6 30												100 lbs. 63 c.
March 3, 1875		ton 7 00												100 lbs. 70 c.

\* Under the act of June 30, 1864, and subsequent acts, it is provided that certain descriptions of iron shall pay not less than 35 per cent.

† To March 3, 1865, then 70 cents.

Mr. FREEMAN. And yet this industry has pleaded in vain. So, too, in the question of drugs and chemicals. What more important to the self-sustaining welfare of a nation than the ability to provide, in the hour of trial and need, these vital elements of strength? I desire to have read extracts from the letter of a highly intelligent gentleman, who knows whereof he writes, and which I send to the Clerk's desk for that purpose.

The Clerk read as follows:

532 WALNUT STREET, PHILADELPHIA,  
April 11, 1876.

DEAR SIR: I am sure that you do not need any urging to oppose the Morrison tariff with its free list. This is composed almost entirely of drugs and chemicals, perhaps more largely represented in Philadelphia than in any other city of the United States. The passage of the Morrison bill would be simply absolute destruction to this industry, thus costing this city an enormous capital and the profitable labor of thousands of workmen, only to give an additional market to foreign producers and fresh profits to their agents and the speculators in New York, who alone have devised this tariff and are urging its passage through the committee and Congress. Leave American chemicals where they now are, subject to a duty only large enough to discriminate in favor of American wages against those of foreign countries. It is of enormous importance that we should maintain our independent supply of drugs, and capital has for fifty years been devoted to the chemical industry, until now \$50,000,000 depend upon the skill and science of our manufacturers. Their productions equal those of any part of the world, and cost the consumer little more, while giving a guarantee of purity far greater than that of foreign chemicals sent here to get rid of them in home markets. All this is to be destroyed by the proposed free list, and only for the benefit of foreign producers living in countries that actually forbid or deny the introduction of American chemicals. The difference of profit will always inure to the speculators in New York, while the consumer will never know what he is getting nor how much it will cost.

Yours truly,

J. G. ROSENGARTEN.

Hon. CHAPMAN FREEMAN, M. C.

Mr. FREEMAN. In this connection, and most forcibly illustrating the absolute insanity of such action upon this subject as is proposed in this bill, I desire an editorial from the Philadelphia Evening Bulletin of April 10, 1876, which I send to the Clerk's desk, may be read. There are doubtless many on this floor who can appreciate its truth from sad experience.

The Clerk read as follows:

One of the articles that have been placed upon the free list in the tariff bill constructed by the Ways and Means Committee in Congress is sulphate of quinine. This important drug is manufactured by only three firms in this country, two of them having their establishments in Philadelphia. Against the proposed extinction of the present duty of 30 per cent. the manufacturers have protested, and this protest has provoked from the free-trade journals, the Chicago Tribune especially, strong expressions of indignation that the "monopolists" should dare to ask for the continuance of a duty upon "an article which is indispensable to the sick." The Tribune asserts that the petitioners are "interested in maintaining high prices; that the people will be largely the gainers by withdrawal of the duty; that it is a case of forty millions of Americans against three firms; and that, while the latter are demanding that the Government shall maintain a duty which will enable them to get more for the commodity than it is worth, the former are yearning to be permitted to obtain the drug for precisely its real value."

That this agitation and misrepresentation are simply a part of the free-traders' scheme for breaking down the whole system of protection to American industry is easily discernible. It can be shown in the clearest manner that the statements made in that behalf are unworthy of confidence, whether they are offered as facts or as theories. The proposition that American manufacturers use the advantage given to them by the tariff to maintain their prices far above foreign rates is proved to be false by a single fact. In 1871, when the duty upon quinine was 45 per cent., an ounce of English quinine cost to import \$3.03 an ounce. During that year, the best American quinine, which is equal in quality to the finest made anywhere, was sold at prices ranging from \$2.30 to \$2.50. The American makers, instead of taking advantage of the high price of the English article and raising their rates, maintained the latter at such figures as to afford them a reasonable profit. English quinine now is much lower than that made here, but the reason for this extreme and unusual temporary decline is to be found rather in the extraordinary depression of business than in any other cause. The free-traders complain that the protective system produces extortion when protected quinine sells for \$2.30 currency, the present price, but they do not explain why free British quinine was not extortionate when it demanded \$2.75 currency in England in 1873. The fact is that American quinine sells now, and has frequently sold in the past, for rates very much lower than those that have prevailed in Europe.

This undeniable truth knocks the foremost argument of the free-traders to pieces; but there is very much more to be said upon the protective side of the subject. The duty is the only barrier that shuts out competition upon the cut-throat principle.

While it remains, the American manufacturer can conduct his business and regulate his prices upon fair principles. If the duty were removed, nobody who has any knowledge of the methods of the British free-traders doubts that they would sink millions in the effort to destroy our home manufacture utterly. And when that is achieved and the Englishman becomes the monopolist instead of the American, who is so foolish as to believe that the latter will not use his supreme control of the market for the purpose of demanding fancy prices? And what will there be to protect the suffering people, for whose interests the free-traders are now so very solicitous, from his rapacity and greed?

If "forty millions" of Americans need quinine, it is a matter of the first importance that they should be supplied from home; not only that fair competition may regulate the price, but that the supply may be maintained in times of war. The southern confederacy paid fearful prices for quinine during the blockade, and it resorted to desperate measures to obtain the drug. Not an ounce was made in the South, and incalculable suffering resulted from the scarcity of the imported article. If our manufactories are destroyed, this entire nation will be placed in a precisely similar position in the event of a war with England or France, and it may be too late then to begin anew the process of building the industry from its foundations. The man who considers it foolish to anticipate such a catastrophe may as well condemn the maintenance of an Army organization or of ships of war as an unnecessary bit of extravagance.

France takes good care to protect herself against such an emergency. She does not impose a duty upon American quinine; she absolutely prohibits it from entering her ports. British free trade is not permitted to destroy such an important industry. But French manufacturers would be very glad if our Government should give them a chance to find a market wherein their protected quinine could compete with ours unprotected. They and the British dealers alone would profit by the removal of the American duty. Our Government would lose a handsome revenue from imported quinine; the people would have to pay more for it and there would be absolutely no gain of any kind to an American citizen from a change which is now being urged in an American Congress. Our manufacturers have vast capital invested, they make large contributions to the internal revenue, they pay heavy duties upon various articles which they import for use in their laboratories; they give employment at good wages to hundreds of skilled workmen, and they sell their drug often at lower rates than the foreign article commands, even though the latter is produced by laborers who have pauper wages. These things deserve consideration. It would be an outrage for Congress to snuff down this important interest at one reckless blow. It is deplorable that a tariff bill should be intrusted to a Ways and Means Committee which knows only that certain democratic theorists want free trade, and which goes blundering through the list of protected articles amending and striking out without clear perception of the vast importance of its action or familiarity with the nature of the delicate interests that will be affected by it. We trust that the friends of protection will make as sturdy a fight over the quinine duty as they will over the duty upon iron, endeavoring to throw a few glimmering rays of light respecting the subject into the brains of the statesmen who are playing directly into the hands of foreign manufacturers.

Mr. FREEMAN. But what may be, nay, what must be, the inevitable loss to the producer, the manufacturer, the progressive industry of the nation by such a course of mutation, vacillation, and uncertainty! Where is the promise of the future? What is the outlook for that success in the long years to come for which capital and enterprise go hand in hand and struggle through difficulties and discouragements with zealous dependence and hope? What becomes of confidence, or that reasonable business anticipation with which commercial interests look to the future, where all is doubt and change—and distrust engendered thereby? Sir, in this respect we have much to learn. How can a young country like our own, notwithstanding all the blessings of its wonderful fertility in energy and the elements of wealth, aspire to commercial equality with its older rivals, unless legislation and public policy are founded upon something more substantial than ever-changing opinions and are guided by a higher order of intelligence in purpose and a broader uniformity of character.

Another striking illustration of the minuteness with which it is desired to guard the pauper labor of Europe in this bill is to be found in the item of bricks, which are placed on the free list. At the present rate a duty of from 20 to 35 per cent. is levied upon this article, which is one entering into and forming a great branch of American labor. In the city of Philadelphia alone there are a large number of men and boys employed in the manufacture of this article, which, once upon the free list, can be and will be brought in ballast wherever a port can be reached, to the detriment of home labor and, in fact, to the utter ruin of it in that regard. I invite attention to the following table exhibiting the condition of this industry in the various wards of that city in 1870:

Wards.*	Number of establishments.	Capital (real and personal) invested in the business.	Steam-power.	Number of horse-power.	Number of machines.	Average number of hands employed.		Total amount paid in wages during year.	Value of machines.	Production, (including all jobbing and repairing.)		
						Males above 16 years.	Females above 15 years.			Kind.	Quantities.	Value.
Fifth.....	1	\$33,000	1	20	11	20	.....	\$17,000	\$8,915	Common and pressed	5,000,000	\$40,000
Nineteenth.....	5	29,000	.....	10	124	89	26	31,400	15,000	do	8,500,000	99,100
Twentieth.....	11	91,000	1	41	4*	202	55	98,650	28,950	do	19,440,000	181,000
Twenty-third.....	4	74,000	1	26	44	69	20	41,440	8,630	do	5,431,800	68,918
Twenty-fourth.....	6	139,500	4	96	92	208	75	119,800	29,735	do	23,050,000	290,800
Twenty-fifth.....	11	188,300	.....	35	87	280	110	106,870	34,964	do	25,589,000	316,746
Twenty-sixth.....	21	1,033,000	7	287	349	1,124	25	602,300	184,060	do	90,680,000	1,118,040
Twenty-seventh.....	2	55,000	.....	6	25	57	12	26,888	5,000	do	3,400,000	29,209
Twenty-eighth.....	19	134,300	1	45	150	282	92	113,400	46,426	do	23,300,000	238,650
Totals.....	81	1,819,000	15	505	932	2,331	415	1,157,717	302,369	.....	204,300,800	2,682,456

\* Wards 1 to 4 and 6 to 18, no returns. Ward 5 represents a company working in the twenty-eighth ward.



## RECAPITULATION.

Number of establishments.....	61
Capital.....	\$1,819,000
Steam-engines.....	15
Horse-power.....	565
Number of machines.....	932
Number of men.....	2,331
Number of boys.....	415
Total men and boys.....	2,746
Wages paid.....	\$1,157,717
Cost of raw material.....	363,369
Number of bricks made.....	M. 304,390
Value of product.....	\$2,382,456

At the present time the most reliable and competent authority places the value of the production at over \$3,000,000, employing over three thousand men and boys, and paying \$1,250,000 in wages. I append, for the information of this committee, a statement of the rates of duty on bricks from August 10, 1790, to the present time, and to which I desire to call especial attention:

## Rates of duty on bricks from August 10, 1790, to the present time.

Acts of Congress.	Rates of duty.
	Per cent.
August 10, 1790, and March 2 and 3, 1791.....	10
May 2, 1792.....	10
June 5 and 7, 1794, and January 29, 1795.....	15
March 3, 1797, July 8, 1797, and May 13, 1800.....	15
March 26 and 27, 1804, March 3, 1807, and March 4, 1808.....	17½
July 1, 1812, February 25, 1813, July 29, 1813, March 3, 1815, and February 5, 1816.....	35
July 13, 1832, and July 14, 1832.....	15
March 2, 1833.....	15
July 4, 1836.....	15
September 11, 1841.....	20
As in force June 30, 1842.....	20
August 30, 1842.....	25
March 2, 1861, (present rate).....	20

It will thus appear that this is the first time in the history of the country, from 1790 up to the present hour, that it has been proposed to have this article added to the free list. Now, sir, let us look for a moment at the facts in connection with this branch of American industry; at what is its character and how great its extent. I have the honor to represent a district in which this industry is of very great importance; indeed it becomes so every where where the soil is suitable and circumstances bring men together in municipalities. It has been, like all else that pertains to progress and development, a matter of nurture and gradual expansion. From a small and insignificant beginning, measured by the narrow and scanty wants of a frugal people, rude and simple in manners and few comparatively in their numbers, it has grown into an enterprise wherein capital seeks employment to the extent of millions of dollars and yields profitable labor to tens of thousands of willing and eager hands. In Philadelphia alone, in 1870, there were eighty-nine brick-yards, employing three thousand and eighty hands, the wages of whom, during the working season, amounted to \$1,228,715. The amount of capital invested was \$2,294,500, the value of the material was \$701,134, and the value of the product was \$3,112,906. If we turn to the State in which that city is situated, (and it is but an illustration of the condition of that industry everywhere where the circumstances of location are the same,) we find that in the same year the products reached the sum of \$6,071,209, while the capital invested was \$4,559,783 and the amount paid out in wages was \$2,337,691. The number of common brick made was 428,640,000. Taking the estimate of the same year for the United States, we find the number of bricks made was 2,801,832,000 and the value of the same amounted to \$27,414,681. There is not the slightest doubt that in 1875 these figures were very largely increased.

Now, sir, take the extent of coast and the number of ports into consideration, and it will at once be seen what a blow is here directly aimed at the domestic labor finding employment in this vast branch of native industry. Foreign labor being so much cheaper than our own can take this form, and, wherever carrying upon the water can be done by taking the shape of ballast, our own labor is to that extent crippled and destroyed. This is pre-eminently a case where a duty is proper for its protective character. In 1875 the value of bricks imported into the United States amounted to \$114,363.79, upon which a duty of \$25,182.88 was collected. This is, comparatively, a small amount, but sufficient to illustrate the suicidal character of the proposition as a principle.

But, sir, this bill of "simplification" did not originally end here. It struck again and in another direction, and one involving the welfare and prosperity of a different section of our country, in proposing to put the article of bituminous coal on the free list. And I refer to this because I understand it is proposed to still reach these original propositions by amendments to the amended bill. Under the present tariff the duty on bituminous coal, culm, and slack thereof and coke, was seventy-five cents per ton on the former and 40 and 25 per cent. *ad valorem* on the latter two, relatively. In 1875 the value of bituminous coal, culm, and slack thereof, and coke imported reached, not-

withstanding the above duty, the sum of \$1,809,506.41, and the amount of duty collected thereon reached the sum of \$332,205.76. The soft coal produced in the western part of Pennsylvania, like the anthracite, is in some respects a specialty, being used to a great extent for the purpose of manufacturing gas. These particular qualities of coal have been made incidental to the great State wherein they are largely found, and not coming into collision or competition with the older markets of the world do not need and do not ask protection.

The State, therefore, which in part I have the honor to represent here cannot be charged with any selfish motives in protesting against the suggestion of this uncalculated and most injudicious change. She protests, however, in the name of the general welfare and on behalf of the common good. More conspicuously her sister-States of Maryland and West Virginia, and especially the former, have a deep interest in this article of production.

I have here an article from the New York Bulletin of February 19, 1875, which gives a clear statement of the magnitude of the production throughout the States and of course the large employment of labor therein, which I shall send to the Clerk's desk and ask to be read.

The Clerk read as follows:

## PRODUCTION OF BITUMINOUS COAL IN 1874.

From the returns received from the Eastern, Middle, and Western States, it appears that the production of bituminous coal has nearly equaled during the past year that of anthracite coal and that there is a steady increase of the production of this coal which will soon place it above that of anthracite, which has doubtless passed its maximum production. The production of bituminous coal in Pennsylvania for the past year is placed at 9,731,540 net tons and 1,624,379 tons of coke. Maryland produced 2,410,895 tons; Missouri, 725,309 tons; Tennessee, 81,948 tons; the Kanawha region, 140,217 tons; Alabama, 46,319 tons; Illinois, 784,950 tons, and various other places, 1,090,000—making a grand total of 16,547,617 tons. This leaves out of the calculation the vast bituminous coal-fields of the Territories, of which those of Wyoming alone bid fair to outrival those of Pennsylvania, from which already the country from the Missouri River to San Francisco is largely supplied.

Mr. FREEMAN. The coal product of West Virginia in 1873 was 1,000,000 tons. The product of the Cumberland coal-field in Maryland for the last three years has been as follows:

	Tons.
1873.....	2,674,100
1874.....	2,410,895
1875.....	2,342,772

The product of Ohio in 1875 was 4,868,252 tons and the number of persons employed 13,469, of whom 12,036 were employed under ground and 1,373 above ground.

In this connection I beg to add the following statement, showing the duty on coal from July 4, 1793, up to the present:

## DUTY ON COAL—ALL KINDS OF COAL.

Act of July 4, 1793, two cents per bushel.  
 Acts of August 10, 1790, and March 2 and 3, 1791, three cents per bushel.  
 Act of May 2, 1792, four and a half cents per bushel.  
 Acts of June 5 and 7, 1794, and January 29, 1795, five cents per bushel.  
 Acts of July 1, 1812, February 25, 1813, July 29, 1813, March 3, 1815, and February 5, 1816, ten cents per bushel.  
 Acts of April 27, 1816, April 20, 1818, and March 3, 1819, five cents per bushel.  
 Acts of May 22, 1824, and February 1, 1825, six cents per bushel.  
 Act of August 30, 1842, \$1.75 per ton.  
 Act of March 2, 1861, (bituminous only) \$1 per ton.  
 Acts of July 14, 1862, and March 3, 1863, \$1.10 per ton.  
 Acts of June 30, 1864, March 3, 1865, March 16, 1866, May 16, 1866, and June 1, 1866, \$1.25 per ton.  
 Act of 1874, (present rate,) 75 cents per ton.

## ALL OTHER NOT OTHERWISE PROVIDED FOR.

Act of July 30, 1846, 30 per cent.  
 Act of March 3, 1857, 24 per cent.  
 Act of March 2, 1861, 50 cents per ton.  
 Acts of July 14, 1862, and March 3, 1863, 60 cents per ton.  
 Acts of June 30, 1864, March 3, 1865, March 16, 1866, May 16, 1866, and June 1, 1866, 40 cents per ton.  
 Anthracite in 1870 made free.

## CULM OF COAL AND COKE.

Act of July 30, 1846, 30 per cent.  
 Act of March 3, 1857, 24 per cent.  
 Act of March 2, 1861, 25 per cent.  
 Acts of July 14, 1862, and March 3, 1863, 30 per cent.  
 Acts of June 30, 1864, March 3, 1865, March 16, 1866, May 16, 1866, and June 1, 1866, 25 per cent.

Thus, while the apparent amount of revenue lost to the Treasury in this instance, should this item be restored to the free list, also seems comparatively small, (although the present condition of the latter doubtless adds to its acceptability,) yet let us pause to ask what would be the result of the adoption of this free clause upon the mining labor of these States. Let us set aside the question of capital and look only at the broad humanitarian doctrine of providing for one's own household. It is a practical sealing-up of the great caves of wealth, and tearing away from the reach of yearning, eager, hungering toil the privilege of honest work. It is a ghastly elimination of the mandate permitting man to live by the sweat of his brow; for he is forced to a relentless and unavailing competition, under circumstances of a character which he cannot change or alleviate, and yet under which it is not in the nature of things that he should continue to exist. And what is to be the effect upon the manufacturing interests in regard to this free coal? It would be clearly a matter of unjust discrimination against manufacturing interests in the various sections of the country. In those manufacturing districts adjacent to the coal-fields of Canada and within reach of foreign coal it not

only acts as a restriction of the market for home coal, but places those sections at an unjust and inexpedient advantage as regards more distant markets. It is therefore to that extent legislation that becomes special in its substance and in antagonism to the general welfare. The present tariff was framed after a thorough examination and study of the wants of our people, at a time when the peculiar necessity of the case rendered it vastly important that more than due care should be given to the subject. War had produced an abnormal and unnatural condition of things, and facts and figures, it was essential, should undergo an exhaustive examination. Home industries had been largely stimulated by a civil strife which had illustrated, far more clearly than the most precise rules of theory can ever do, the mighty power born of, nursed, and developed into rich maturity by the beneficent laws of a wise system of protection. And yet a proportionate element of relief was called for and was due upon articles of import, as far as regards duty thereon, proportionate with the growth and strength and ability for competition developed by that very process of stimulation. Accordingly we find that a very large increase was made in that tariff bill of articles added to the free list. Its value in the year 1875 was estimated at the sum of \$167,255,004.42, a sum which will be found, upon comparison, to exceed the total amount of customs duties collected in the same year by \$12,701,021.87.

Notwithstanding this care, and the extent of intelligent examination given, what was the result? The year 1874, long before it closed, developed the fact that there was likely to be a deficit in the necessary and expected amount of revenue, and a corresponding inability on the part of the Government to meet its liabilities. As a consequence it was necessary to pass an additional tariff measure, and such a one, known as the little tariff bill, was accordingly framed during the second session of the Forty-third Congress, and finally became a law. With what reason, or upon what process of justification, then, can a present increase in the free list be made? An increase which, I believe it is admitted, and if I am in error I can be corrected, will amount to \$3,000,000 in round numbers, but which, should business revive, will of course be extensively increased. Is this the time, when the nation, not yet one hundred years old, is groaning under its vast load of suddenly accumulated debt; when the Treasury needs every proper assistance to the replenishment of its gaping coffers; when doubt and uncertainty are clouding the perspective of the commercial future; when the uttermost corners of the country are teeming with unemployed labor and private capital is languishing in nervous timidity? Is this the time, I ask, to gaily brush aside every element of recuperation and defense, as a nation, and stalk, like one blinded with sleep, into the possible embrace of a condition of national bankruptcy and ruin? Sir, it is a serious question and one deserving of the greatest consideration of every thinking mind. In fact the bill under consideration, in its original form, plainly admitted as much. Under its terms the deficiency thus mapped out with such apparent ease and indifference to the private interests of capital and labor, and public interests and general welfare was proposed to be supplied and recuperated from the already emptied coffers of the poor. From those who have not it was proposed in a sort of round about but thoroughly practical way to take away even that they have. And how was this to be done? Sir, it was proposed by the original bill, and I understand is still to be proposed by an amendment to this, to re-impose duties upon tea and coffee; upon the former of fifteen cents per pound, and on the latter of three cents per pound. The friends of this bill estimated that from this source they could raise a duty of \$19,204,400. It has always been held by free-traders that all articles we cannot produce should be put on the free list. That we can get along very well without this unjust tax has been demonstrated by the operations of the United States Treasury under the present tariff. Here is the only real luxury allowed the poor man's table taxed to raise the revenue lost by the reduction on the rich man's luxuries. It is only a wonder that champagne and high-priced wines, which never cross the thresholds of the poor, are not put on the free list. Sir, I desire to raise my voice in earnest opposition to this proposition. Though the tax has been stricken out, it is understood that it is to be pressed as an amendment to the bill.

The following article, taken from the columns of the American Grocer of February 5, 1876, very clearly indicates the secret sources of its strength. It is headed, with conspicuous aptness, "The unjust tax;" and I send it to the Clerk's desk to be read.

The Clerk read as follows:

The tax of three cents a pound on coffee proposed in the tariff bill before the Committee of Ways and Means fully justifies our warnings and predictions in former numbers of the American Grocer, and shows the skill, ability, and power of the combination which has been able during the past three years, in despite of the law of supply and demand, to increase and maintain the price of coffee throughout the world to nearly double their intrinsic value.

Almost brought to grief by the accumulated production which their high prices had stimulated, with heavy loads to carry and drooping prices to sell at, they now invoke the aid of Government in their behalf, and the latter proposes to tax the entire population of this country with a sum sufficient to repay the present combination for its losses and enable them for a year at least to pocket the tax.

In our issue of November 20, in an article headed "A new bonanza," we gave notice that a strong movement would be made at the coming session of Congress to get a duty on tea and coffee, and showed that this duty, which for a long time would yield nothing to the Government, from the large stock of coffee in hand which would evade duty, would constitute a simple donation from the pockets of the consumer of from three to four million dollars to go into the hands of the operators. We gave at the same time the figures on which we made this estimate.

We now give our calculations on a more recent basis:

Stock of all kinds in first and second hands on February 1.....	38,025	Total
Imports to July 1—same as last year.....	60,691	
Probable supply to July 1.....	98,716	
Distribution to July 1—same as last year.....	56,028	
Probable stock on July 1.....	42,688	
or 35,621,129 pounds, which, with three cents duty, amounts to \$1,268,633, gold.		

For a few weeks past the visible supply has been slowly decreasing, owing to the large stock here having compelled importers to cease buying at Rio; but at the same time, while the visible supply here has decreased, the stocks at Rio have increased under larger receipts this year than at the same time last year; and as soon as it becomes a fixed fact that the duty is to be levied to take effect July 1, that surplus will be transferred here for the operators to avail themselves of the duty.

In support of our position we may quote from the remarks made to a Times reporter by Mr. A. A. Low, one of the largest and oldest established tea importers in the city, that all duties on tea and coffee fell directly and to their full extent on the consumer, and if the tariff should be replaced the price would certainly advance by fully the amount of the tax. If there should be a tariff imposed which should go into effect immediately it would be productive of a profit to those who had a large stock on hand, but it was not proposed that this should be enforced until July, and then the supply would be in excess of the demand. A "consumer" likewise expresses his opinion in the Times that by July 1 the speculators in tea and coffee will have imported all the available supplies into the country, not only from the producing countries but from Europe; so that instead of any revenue accruing to the Government for at least a year the tax would be paid by the people to these speculators in the shape of enhanced prices.

Mr. FREEMAN. Now should this prove to be a proper statement of the case, and I see no reason to doubt it from the plain and forcible manner in which it is made, we shall lose for a year at least the customs duties to the extent of the sum intended to be raised from this source. Indeed, I have been informed by a gentleman who not very long since occupied a high place in the counsels of the Government, that if this tax is levied it will put \$100,000 in the pockets of the firm of which he is a member. It seems as if one of the inevitable results of the passage of this bill, should it become a law, will be the revival of the income tax as a necessity for the creation of the proper revenue to meet the requirements of the Treasury; and there are several bills, I believe, now before the Committee of Ways and Means for this purpose. It is very certain that should the reasoning on facts already referred to be sound, there must eventuate a large deficiency in the annual income. The total receipts of the Government for 1875 were \$288,000,051.10, and the expenses for carrying on the same were \$274,623,392.84, leaving a margin of only \$13,376,658.26. Should the collection of the duty on tea and coffee fail for the first year after the passage of the bill there would be a loss to the Treasury of over \$19,000,000 of funds absolutely necessary for its solvency. I am entirely opposed to the imposition of this tax; and especially in connection with the reductions alluded to, as founded upon no element of justice and upon no satisfactory principle.

But still another and most clearly defined source of objection to this bill is that it is discriminating and sectional. While the duties on raw wool are decreased to the extent of 15 per cent, and the competition started with increased vigor against the West, in favor of Canada and Europe, the duties on tobacco, raised chiefly in the South, are increased as follows: on cigars and cigarettes, \$1 per pound; on tobacco in leaf, unmanufactured and not stemmed, five cents per pound. So, too, while the protective duties on the cotton manufactures of New England, and on the iron and steel productions of Pennsylvania, are reduced to such a point as will enable the cheap labor of Europe to successfully compete with our domestic industries, the highly protective duties on the sugars of the South are not disturbed, but retained at the same rate as that prescribed by the present tariff. I fail to appreciate the force or necessity for this discrimination.

Such was this bill as originally introduced. But, sir, bad as it was in the first place, as I have endeavored to show, it is, if anything, as an attempt at tariff legislation in its present shape, infinitely worse. It has absolutely no theory. It is neither free trade, nor protection, nor revenue. Whatever pretense of principle it originally contained has been skillfully eliminated, and it stands a strange "what-is-it," as a sort of suggestion to the imagination of a "who-is-it" for its author.

But, further than this, the bill in its present shape means repudiation. It is an absolute deprivation of revenue absolutely necessary to the Government. The last report of the Secretary of the Treasury will show that the Government pressingly needs an increase of revenue. This bill does not propose to raise that revenue by any other methods. It points to no means whereby the great loss of income is to be recuperated. It cuts down the only means whereby the obligations of the Government can possibly be met. In short, this is a bill, proposed by a democratic committee, to stop the wheels of Government and cripple it in the liquidation of its honest obligations.

Why, sir, where is the revenue to come from to make up the certain deficiency with tea and coffee free? Nearly \$12,000,000 clipped off, like a dead twig from a bush, from the necessary supplies for carrying on the Government? It is worse than bad, for it is better to act upon a bad principle, with good intentions to mold, and guide, and restrain, than to act, as this bill proposes, upon no principle whatever. The motive can only be conjectured. Some hidden impulse that appears only on the face of this long free list with a strange suggestiveness has been the source of its construction. True, even the committee has been driven to restore the duties upon certain articles and



omit the duties upon tea and coffee in order for the bill to reach the House for consideration; but the long list of duties proposed to be removed, the evident intent to have this supplied by the tea and coffee of the poor, and the utter indifference to even an affectation of principle, gives to the whole matter the permeating fragrance of a job. I shall ask the Clerk to read an article from the Iron and Steel Bulletin, which is somewhat suggestive of the birthplace of this bill.

The Clerk read as follows:

THE MORRISON TARIFF BILL POPULAR IN ENGLAND.

The British Trade Journal, a London magazine of wide circulation, is "published on the first of each month in one issue for all countries," as its title-page represents. It will be remembered that Mr. MORRISON introduced his tariff bill on Monday, the 31st day of January last. His action took the country by surprise, and even his own committee, which had not been consulted in the preparation of such a bill. But it did not take the free traders in England by surprise. They knew that the Morrison tariff bill was coming. We will not say that they had a hand in its preparation, but we think they had. And here is the reason for our opinion. The British Trade Journal, in its issue for February 1, so dated on the title-page, and received at this office February 15, contained the following announcement, among other news paragraphs, in the middle of the magazine, one day after Mr. MORRISON presented his bill in the House:

"THE FREE-TRADE MOVEMENT IN AMERICA.—Although the protectionist party in the United States is incomparably the strongest and most influential, yet there is an important section of the people who are not wedded to that economical heresy. There is reason to believe that free-trade principles will continue to gain fresh support every day, and that they will ultimately prevail we cannot doubt. We note that a new tariff bill making a large reduction in the tariff, increasing the free list, abolishing combined rates, and fixing specific duties, equal to 25 or 30 per cent. *ad valorem*, is to be introduced into the House of Representatives. Whether it becomes law or not—and the probability is that the bill, if even it passed the lower House and Senate, would be vetoed by President Grant—it at all events shows that the free-trade party is healthy active."

How did this English editor, who is so jubilant over the progress (!) of free-trade principles in this country, know so long in advance of all Americans and Congressmen and the Committee of Ways and Means itself that a free-trade tariff bill was to be introduced into the House of Representatives? How did he know its exact provisions so definitely and minutely that he could publish them to "all countries" before the people most interested could obtain even a hint of their character? Can Mr. MORRISON tell? Was his bill made for him in England, as a certain schedule of duties was once made for Mr. Wells? We suggest that Mr. MORRISON be interrogated on this point. And we suggest that Mr. Wells, Mr. Moore, and some other Englishmen who had the misfortune to be born in this country be interrogated also, by an "investigating committee" if necessary. If our tariff laws are to be made to order for us in England, the American people have a right to know it. And if Mr. MORRISON knows that the bill which bears his name was so made, the people have a right to know that.

Mr. FREEMAN. I see nothing in this tariff bill to recommend it, and much to call for its condemnation. I believe, if it becomes a law, the importer with a stock of goods on hand will be ruined; the manufacturer who has been staggering under the heavy load of war's evil reactionary influence will find the remnant of his business destroyed; the depressed mechanic who has struggled through these dark times with only hope to cheer, will find the death of that hope in the long outlook of idle months to come; tradesmen will be bankrupted; and unskilled labor, now scouring the surface of the habitable quarters of the country in an almost fruitless search for work, may prepare for literal beggary. I can find in this bill, Mr. Chairman, no redeeming trait, and I shall vote most cheerfully for its defeat.

Finance and Taxation.

SPEECH OF HON. C. W. MILLIKEN,

OF KENTUCKY,

IN THE HOUSE OF REPRESENTATIVES,

June 2, 1876.

The House being in Committee of the Whole on the state of the Union on the bill (H. R. No. 3134) to revise and simplify existing laws imposing duties on imports and to reduce taxation—

Mr. MILLIKEN said:

Mr. CHAIRMAN: I do not propose to confine my remarks on this occasion to any one particular subject that is now pending before Congress or the country, but to allude briefly to several matters which are of themselves so necessarily interwoven one with the other that the consideration of one of them leads to the consideration of the others. I wish first to look at the question of finance for a moment, as there has not been a question since the foundation of the Government affecting the several interests of the country which has received so universal consideration as this. From the highest statesman and shrewdest financier to the humblest mechanic and day-laborer in all the land has this matter been examined and re-examined, investigated and re-investigated, until theory is well-nigh exhausted. It cannot be expected, therefore, that I will be able to solve the mystery or even advance a new or original thought on the subject. But I have in common with others my own views for ultimate relief, to some extent at least, if not permanent relief. The very first step in this direction in my opinion is economy. We cannot expend money and keep clear of debt unless we have the money. To have the money the people must be taxed to raise it. To make extravagant appropriations and pay high salaries the people must be taxed to get the money to meet the obligations of the Government thus entered into. A rich, happy, prosperous people makes a rich, happy, and prosperous government, while the reverse is equally true; that is to say, a government which

taxes, oppresses, and impoverishes its people must necessarily sooner or later become poor and oppressed in its turn. A government or a nation is but a family upon a larger scale. The prosperity of one member of the family carries with it the prosperity of all the other members of the same family to a greater or less degree. If all are prosperous the family as a unit is prosperous; and so of a government or nation. Suppose a sensible, prudent, and judicious man, the head of a family, should discover that his annual expenses exceeded his income, what remedy would most likely present itself for relief? That of economy, of course; the cutting off of all superfluous expenditures of money for mere luxuries and living strictly within the reasonable, necessary wants of life. This will bring about the desired end beyond question, with the proper energy thrown into his productive resources. Why will not the same line of conduct pursued by a nation or people produce a like result? Certainly no good reason to the contrary can be alleged.

In view of these patent facts and in view of the universal demand for relief coming from the poorer and working classes of our people, the democratic members of this Congress are determined to open up the avenues of retrenchment and reform in every department of the Government, that those who are the greatest sufferers and who are bearing the greatest and heaviest burdens of the crisis that is upon us may see and know we are not only honest in our effort to relieve them, but that we are in earnest. It is believed by a majority of the Committee on Appropriations that the aggregate appropriations of last year can be reduced at least \$30,000,000 for the fiscal year ending June 30, 1877, without the slightest interference with the necessary and healthful working of any one or more of the various departments of the Government. Whether it can be done or not, the amount proposed to be saved is worth the effort. If it be practicable to carry on the Government with a reduction of \$30,000,000 of money this year and continue it at the same rate for ten years, including the interest at the rate of 6 per cent. per annum upon each thirty millions thus saved, we will have saved at the expiration of that time of principal and interest thereon a sum nearly equal to one-fourth part of the entire public debt of the United States, or a sum approximating \$500,000,000. This process of itself will ultimately pay off and discharge the entire debt with the aid of the present rate of liquidation. But the inquiry still exists, can the expenses be reduced thirty millions without injury to the vigorous and healthful administration of the Government? Let us see.

In 1855 the net ordinary expenses of the Government under democratic rule, exclusive of pensions and interest on the public debt, were in—

1856	.....	\$62,476,298
1857	.....	64,630,763
1858	.....	71,110,669
1859	.....	65,133,737
1860	.....	56,955,953

making a total expenditure for the last six years under democratic rule of \$318,191,043.

The last six years of expenditures under the present administration foot up quite differently. The net ordinary expenses of the Government for the year 1870, exclusive of pensions and the interest on the public debt, were \$136,081,305. For the year—

1871	.....	\$131,419,126
1872	.....	124,668,453
1873	.....	151,129,210
1874	.....	149,580,570
1875	.....	142,073,632

making a total cost for the last six years of the present administration of \$834,952,296.

Therefore the net ordinary expenses of the Government for each of the last six years cost the people more than 150 per cent. more than did either of the last six years under democratic rule. Why is it and what is it for? No other reason, sir, can be given than that of extravagance and reckless expenditure of the hard earnings of the hard-laboring and overburdened people. The War, Navy, Indian, and miscellaneous appropriations constitute the principal items of these expenditures.

The War expenditures from the year 1855 to 1866, inclusive, were \$116,053,432, or an average per year of \$19,342,239. That of the last past six years ending June 30, 1875, were \$266,905,228, or an average per year of \$44,484,271. That of the Navy from the year 1855 to 1860, inclusive, \$80,301,508, or an average of \$13,383,584. The expenditures of the Navy for the last past six years were \$138,408,537, or an average per year of \$23,068,89. The Indian expenditures from the year 1855 to 1860, inclusive, were \$21,231,588, or an average of \$3,538,598. For the same purpose the republicans have expended during the last past six fiscal years \$40,835,488, or an average of \$6,805,914. The miscellaneous expenses for the years 1855 to 1860, inclusive, were \$151,625,501, or an average per year of \$25,437,583. That of the last six fiscal years were \$387,744,542, or an average of \$64,624,090.

I grant that the pension-list for the last six years legitimately exceeds that of the last six years under democratic rule, as does also the interest upon the public debt; and it will be remembered that in these tables I have left out these two items altogether. Yet the net ordinary expenses of the Government as administered by republicans more than doubles that of the expenses under democratic rule. These are the respective sums regularly appropriated by republican

Senates and Houses of Representatives for the items and purposes named. What became of this money? Was the Army two and a half times larger during the last six years than during the years from 1855 to 1860, or the Navy twice as large during the same years? Has the Government grown with such magical rapidity in fifteen years that the miscellaneous expenses to carry it on must be more than doubled? Such is not true in point of fact in either case. Or have the various Indian tribes increased in the same time to so unparalleled an extent that they too cost us more than 100 per cent. more under this republican administration than under democratic rule?

Sir, it is a notorious fact that the number of Indians are and have been for years decreasing rather than increasing in numbers. It is time to put a stop to all unnecessary appropriations and expenditures of money.

This, sir, is the first step to specie resumption. This is the first step to revival of trade and commerce, and the first step to that general relief not only sought after but prayed for throughout the length and breadth of our entire Republic with the fervency of a soul sick of sin.

When the bloody shirt shall cease to paralyze reason and dethrone deliberate judgment; when plunderers shall be driven from high places and reason shall once again assert her dominion over the actions of men, and honesty and good faith shall be the governors and rulers of men, then do we expect to be trusted in place and power and to carry the Government in its administration back to economy and expend the people's money only for just, legitimate, and necessary purposes.

The war is over. Let us turn our attention to the civic wants of mankind, and let the past bury the dead past. This, sir, is another step in the direction of prosperity and specie resumption.

But I am wandering too far from the purpose in view. Mr. Chairman, the effort should be made to reduce the cost of this Government and to relieve the general stagnation that pervades all branches of industry which is so keenly felt throughout every avenue of business. To reduce the expenses of the Government \$30,000,000 per year is no trivial consideration to a people depressed in spirit and oppressed with taxation, who are out of both bread and labor at the same time, not only willing to work but actually begging for it. Yet, sir, have we seen during this session of Congress and in this endeavor to reduce the expenses of the country a constant and persistent effort on the part of the other side of this House to defeat the ends sought. Notwithstanding, gentlemen, your opposition to this line of economy, the expenses have been reduced in the bills which have passed this branch of Congress to an amount which in the aggregate will exceed \$30,000,000. These reductions, sir, in the other end of this building where the republican party have a majority have met with the same opposition they did by the republicans of this House. Conference committees from the two Houses have been appointed to adjust the differences but the result of the conferences has been without a satisfactory understanding and without agreement.

Sir, the eyes of 45,000,000 of interested and anxious people are upon us. They will hold that man and that party responsible directly to themselves who put obstructions in the road to reform in the administrative services of this Government.

To vote for a bill reducing expenses on its final passage upon a call of the yeas and nays will not be satisfactory to the people when they learn you have resisted its passage paragraph by paragraph during its pendency in the Committee of the Whole. Commerce, trade, and labor everywhere are without employment and without price, with no prospect of revival in sight. A reduction of expenditures, therefore, is of the greatest necessity, as one of the means by which these employments may be revived and confidence restored. But something additional must be done.

On the 14th of January, 1875, Congress passed an act proposing to resume specie payments on the 1st of January, 1879. The inquiry is, can this be done? Is it safe and right to attempt to do it by the force of arbitrary enactments of law which knows no deviations or mitigations, in poverty or affluence? How stand the figures? In 1874 we exported the value of \$18,876,698 of merchandise more than we imported. With this single exception our importations have exceeded our exportations every year since 1862. Last year our imports exceeded our exports to the value of \$19,563,725. With these figures before us how can any sane man calculate specie resumption in two and a half years without absolute bankruptcy to the entire debtor class of our people, who are at least 80 per cent. of the business class of our population. But I do not believe it can be accomplished by force of direct law to that end, as I further believe the facts and figures show.

There was at the end of the last month, May, but \$66,624,766.37 in coin in the Treasury. The annual gold and silver products of our mines amount to about \$63,000,000.

The gold and silver bullion and specie imported and exported from the United States for the last six years are as follows:

	Imported.	Exported.
1870.....	\$26,419,179	\$58,155,666
1871.....	21,370,024	98,441,969
1872.....	13,743,669	79,877,534
1873.....	21,480,337	64,608,574
1874.....	28,454,906	66,620,405
1875.....	30,894,217	92,132,142

These figures show an annual drain upon our coin resources from \$31,000,000 to \$76,000,000.

Here I beg leave to say for myself that I am and ever have been for specie resumption; nor do I believe our credit can ever be restored and maintained at home and abroad on any other basis than that of specie. The legal-tender note of the United States is not money; it is but a promise to pay the amount stipulated upon its face, without saying in what or when said amount will be paid. It is simply a note of the United States, like that of an individual, promising to pay, without saying in what or when. But it is certainly the cheapest medium of exchange in the shape of paper currency ever known in this or any other country. It is much superior to the currency of national banks; and yet the resumption act of 1875 withdraws \$2,000,000 of this currency from circulation and substitutes in its place \$100,000,000 of national-bank currency.

This resumption act of 1875 is certainly not wise, for arbitrary, forced resumption can never be accomplished without the most serious results to all classes other than the wealthier. From the passage of that act to this time the premium on gold in exchange for greenbacks or banking currency has been higher than the corresponding period immediately preceding its passage. For the reason that on the 1st day of January, 1879, greenbacks will be equal to gold, because on that day the plighted faith of the Government is pledged to exchange gold par for par for every dollar of greenbacks outstanding on that day; they are therefore equal to gold on that day. The money-changers, the men of wealth, capitalists and bankers, can and will regulate and fix at will the premium on gold as between it and greenbacks.

But how is it with national-banking currency? It is made payable on demand in lawful money, which means legal-tender notes. It therefore is made equal to gold the moment legal-tender notes are convertible into gold. Therefore, the banking association which has deposited with the Secretary of the Treasury \$100,000 United States bonds, as required by law, is doing business to-day on a banking capital of \$90,000, which, in the money-markets of the country, is worth in gold but \$78,750, which, on the day fixed by law for resumption, will be worth in the same market its face value in gold, a net profit in gold on the present value of the \$78,750 of 12 1/2 per cent. or \$11,250 of gold forced into its vaults by congressional legislation alone, and not by any act of the association.

This we have done for the capitalists and bankers of the country, while the masses, who are poor and sorely oppressed, are made still poorer and become more and more oppressed for the reason that legal-tender notes and national currency, being at a heavy discount, will be held there by the brokers and money-changers of the world with the view of buying it up at reduced figures with gold and holding it for its appreciating value on the maturity of the resumption act. I know of no better investment. This will lead of necessity to a stringency and scarcity of money never before known in this or any other country perhaps. Our own and foreign capitalists of all countries will avail themselves of this great congressional bonanza that will and of right should bring the severest condemnation upon those who have aided in the adoption and enforcement of such a law.

The plain duty of Congress then, to my mind, is to repeal the resumption act *in toto*, without hesitation and at once, and thereby cut off the speculation necessarily attaching to it, as well as at the same time stopping the contraction of the legal-tender volume of currency, which certainly is not too great. Then repeal the national-banking act of 1863, and all amendments thereto, to take effect at some not distant day in the future, so as not to materially injure those engaged in it or interfere with their rights under existing laws and contracts. For, while I am unwilling to be injured by a monopoly, I am unwilling to injure one which has come into existence under color and sanction of law, however erroneous that law may have been that gave it birth.

National banks are monopolies, and all laws in their interest and for their maintenance are legislation in the interest and support of monopolies, the statement of the honorable and efficient Comptroller of the Currency to the contrary notwithstanding. In his last annual report, page 15, he says:

One of the principal objections urged against the national-banking system is that it is a monopoly; moreover, that it is a monopoly authorized and continued at the expense of the Government. The reverse of this is true, for the national system, so far from being a monopoly, has in fact uprooted the real banking monopoly which has existed in this country from the foundation of the Government to a late day.

Further on, and on the same and next page, he says:

At the time of the organization of the national-banking system it had few friends among the shareholders of the then existing State banks. These were as a rule in the possession of a monopoly granted them by the State Legislatures, and the bitter opposition to the national system on the part of the officers and shareholders of State banks may be directly traced to that fact.

The honorable Comptroller of the Currency positively denies that the national-banking system is a monopoly, and at the same time, and in the same sentence, with equal earnestness, he asserts that the old State-banking system was a monopoly, and on page 16 of his report he defines what a monopoly is:

A monopoly is a privilege; something so valuable that it commands a premium, and which its owner does not willingly surrender without a struggle.

Then the Comptroller quotes Mr. McCulloch as good authority; that he (McCulloch) was a large banker under the old State-bank system, doing a large and profitable business, bitterly opposed to the national-bank system, because its ultimate operations would force his bank



into liquidation; and yet he quotes Mr. McCulloch as saying that the national-bank system grew into favor day by day; that it is vastly superior to the system it superseded, and the best system which has been or is likely to be devised.

Now, if the old State bank system was a monopoly, as the honorable Comptroller says, and a monopoly is a privilege and something commanding a premium, why was he day by day, as he became more and more familiar with the national-banking system, converted to its advocacy? Certainly not because it was less profitable to him. Certainly not because the premium was less. This is unnatural and inconsistent with itself and with the history of mankind throughout all ages of the world, and especially is it inconsistent with the human nature of Mr. McCulloch.

On page 17 of that same report is a table exhibiting the various classes and amounts of the bonds deposited as banking security, their gold and currency value on the 1st day of November, 1875. The difference on that day being 16 per cent., at this rate will give \$64,342,421 on the day fixed for resumption.

The maturity of the resumption act will close up this wide gap. Yet the Comptroller says it is not a monopoly. He concludes, from his figures given in that table, that the bankers are loaning their money on an average throughout the States at 8 per cent. and that the interest realized above that sum is 2½ per cent.

Class of bonds.	Par value.	Currency value.	Circulation issued.	Gold interest.	Currency value of interest.
Sixes of 1861	\$32,781,050	\$100,578,976	\$74,502,945	\$4,966,863	\$5,761,561
Five-twenties of '65	7,056,600	8,256,169	6,350,896	421,396	491,139
Five-twenties of '65, (new)	6,536,650	7,811,297	5,822,385	392,199	454,951
Five-twenties of '67	10,282,108	12,467,046	9,253,880	616,926	715,634
Five-twenties of '68	2,861,000	3,622,307	2,682,900	178,299	207,478
Ten-forties of 1864	97,974,159	113,772,422	88,176,735	4,898,705	5,682,501
Fives of 1861	141,073,050	163,467,238	126,964,845	7,053,602	8,182,178
Pacific Railroad bonds	12,814,512	15,537,956	11,533,061		768,676
Totals	361,498,113	425,840,533	325,348,960	18,530,554	22,904,312

This he calls profit, and this only. Well, call it what you will, when it is added to the 8 per cent. it makes an interest to the bank on its capital of 10½ per cent., which the people have to pay for the use of the currency furnished them by their Government. No man can afford to pay an annual interest of 10 per cent. on a borrowed capital invested in any legitimate business in this country, nor is it possible for the Government to furnish its citizens with a circulation that costs them that interest and at the same time maintain its and their active and healthy existence. The Government having the power, it is its bounden duty to furnish to the people the best and cheapest currency. In my opinion the legal-tender currency is the best medium of exchange practicable in this country at this time.

The report of the Secretary for the month of April last says that we have of this currency \$370,527,876. This, when added to the available national-banking currency, \$309,080,847, gives a paper currency of \$679,608,723. To this may be added also the fractional currency, say \$40,000,000, and you have the total circulation, amounting to \$719,608,723. Estimating the present population of the United States at 45,000,000, this will give a fraction over \$14 per capita—a greater amount per capita, except during the years 1854, 1855, 1856, 1857, and 1859, than has ever existed in this country before. Yet it is not too great in volume, for it is scarce, even at these figures.

Something, therefore, other than the scarcity of money, or that which represents money, is the cause or auxiliary to the present money depression. To solve this question will give the solution to our troubles, in my judgment. We find no scarcity of money in the great money centers of the country, and loans can be had to-day at from 2 to 2½ per cent. in all those localities. I would not deprive money and capital of employment. Its active profitable use should be encouraged by and through all proper means; but at the same time labor must have protection even against the insidious movements and oppressive tendency of capital. It is a lamentable fact that concentrated capital has always and will forever oppress the mechanic and day laborer who is dependent upon his muscle for subsistence for himself and family.

More lamentable than all else, however, is that we hear around this Capitol to-day, in private discussions of financial matters, that we must be cautious of the adoption of this or that measure for fear we may array the capitalists of the country against us in our political contest for office. My God! has it come to this, that honest American citizens, entertaining honest convictions, representing an honest constituency, must seal their lips and give no utterance to those convictions for fear capital will concentrate its force against them. It is better, sir, that lean, appalling hunger should constantly haunt the hearth-stones of every family in the land than that the just and honest convictions and judgments of the people's representatives should be silenced through fear of the influence of accumulated wealth, which, like great numbers of people, has the inherent power of self-protection. The great purpose and object of law are, or rather should be, to protect the weak who are not able to protect themselves, whether that weakness consists in paucity of wealth or numbers.

Now, sir, whatever may be said or whatever theory suggested for the restoration of general prosperity, in my opinion it can never be accomplished at all until the burdens of taxation are removed from the agricultural sections of the country, the occupants and tenants of which are generally poor, for when their resources fail there is failure everywhere and in every department of industry. Remove from them the heavy duty imposed under existing laws upon every article necessarily used in tilling the soil, from the reaper and mow down to the tack-hammer, a duty which ranges from 30 to 60 per cent. on their value, thereby drawing from that class of laborers on an average nearly one-half the value of their products before it is realized. Adjust your tariff duties on these articles solely to a revenue standard, and, while I am for free trade, I believe the agricultural section of the country will be content, at least until the public debt is paid or reduced to a comparatively nominal figure.

This will give them prosperity, prosperity will beget renewed energy, renewed energy will bring into their garner additional harvests, additional harvests will give additional exports, additional exports will bring into our ports gold in exchange; and thus we will be enabled to return in earnest to specie resumption, the only standard of values known to the world. And, sir, this is not the end of it.

We are not only taxed oppressively upon each and every article necessary to be used in production, but when the article is produced it is again taxed in an invidious and stealthy manner in the hands of the producer. You require the purchaser of the raw material, who buys directly from the producer, to purchase a license before purchasing our tobacco. This he adds to his debit account and deducts it from the price he pays to the producer. Through this one source you collected from the producer in 1874, \$115,991.88. In 1875, the last fiscal year, you collected \$92,228.33, the latter year falling off on account of the failure of the crop; and from the various taxes invidiously placed upon this product you collected the last fiscal year the enormous sum of \$37,303,461.88.

Mr. Chairman, this internal-revenue taxation is most unjustly and iniquitously distributed. The State which I have the honor to represent in part paid into the Treasury last year \$9,022,636.66. The States of Maine, Massachusetts, Michigan, New Hampshire, New Jersey, and Vermont together paid but \$7,427,802.04. Kentucky paid \$1,504,834.62 more than the whole of them together, or a sum equal to six dollars and eighty-three and a fraction cents per capita upon her entire population, while the people of the six Eastern States named do not pay on an average exceeding \$1.06 per capita, and when the tobacco-growing sections appeal to Congress for reduction of tariff duties upon the materials which are necessary in cultivating their crops they meet these States coming in solid phalanx and full force to oppose the reduction.

The result is the tobacco-growing States are poor and growing poorer day by day, and these six Eastern States are rich and unconditionally opposed to the repeal of the resumption act, because its enforcement will make them still richer, converting their greenbacks into gold or its equivalent in value.

Tobacco is no more a luxury than tea or coffee. The use of both is the result of habit, and not because of the nutritious elements contained in either. Tea and coffee that paid a revenue directly into the Treasury of about \$30,000,000 per annum now enters our ports free of duty because a tariff would protect nobody, neither article being produced within our territories.

Why not restore the duties upon these articles where, or nearly where, it was before its repeal in 1872, and reduce it on articles necessary for agricultural purposes? This will distribute the burdens of the revenues for the support of the Government more generally throughout the States than a tax upon any other two articles would do, because both are used in all sections and by all classes. Nor will this make either tea or coffee a cent costlier, because the moment we take off the impost duties the same moment the governments growing them put on export duties, and they now are sold at higher prices in this country than before they were relieved of tariff duty on entering our ports.

Something must be done to revive industries at home and bring about prosperity there before you can safely force resumption by the simple enactment of law by which you command a man to pay gold who has not got it. In the year 1874 the gold value of our exports was \$586,283,040; imports for the same year were \$567,406,342 in gold value—a difference of \$18,876,698. For last year our imports amounted to \$533,005,436; our exports for the same time were \$513,441,711—making a difference of \$19,563,725.

Now, I put the question, Mr. Chairman, with a public debt of \$2,213,616,217.35, our mercantile imports exceeding our exports from \$18,000,000 to \$30,000,000 per annum, a semi-annual gold interest on an average of about 5½ per cent. on \$1,695,041,450 of the public debt, our export of gold and silver bullion and specie exceeding our imports on an average of \$50,000,000, every branch of industry and employment everywhere wholly prostrate, will any gentleman tell us how it is possible to resume specie payments at the time now fixed by law?

Step by step have the creditors of our country enriched themselves off our unfortunate indebtedness. The 5.20 bonds were issued and put upon the market during the late civil war, and we received for them greenbacks which were worth from thirty-three and a third to fifty cents to the dollar. They bore 6 per cent. interest, with the privilege

to the Government to redeem them at the expiration of five years. But on the 18th of March, 1869, when the war was over, the contract by which the holders came in possession of the bonds, complete in every sense, Congress, to explain the terms and conditions upon which the bonds were issued, never before in doubt or misunderstood, passed that celebrated act converting these several bonds into gold bonds.

Sir, we have had enough legislation in the interest of bond-holders. The honest yeomanry of the country are tired of it; honesty, good faith, and good conscience are tired of it.

It is now our duty to return in spirit and letter in our legislation to the purer days of our fathers, giving just, economical, and equal rights to all classes in all sections of the country whether rich or poor, and exclusive privileges to none, then and not till then may we expect resumption, practical healthful resumption to come.

Mr. Chairman, in all human probabilities this is the last time I shall ever address a Congress of the United States on this subject. I therefore in the name of my people make this appeal for their relief, and in the interests of the whole country.

#### Expatriation and Citizenship.

### SPEECH OF HON. EDWARD C. KEHR, OF MISSOURI,

#### IN THE HOUSE OF REPRESENTATIVES,

June 8, 1876,

On the bill to carry into execution the provisions of the fourteenth amendment to the Constitution, concerning citizenship, and to define certain rights of citizens of the United States in foreign countries.

Mr. KEHR. The conflict between the doctrine of perpetual allegiance and the right of expatriation constitutes the most important chapter in the history of American diplomacy. It is the sharp contest between two antagonistic ideas—the one binding the subject to the sovereign by an indissoluble tie and finding appropriate expression in the aphorism, "Once a subject, always a subject;" the other maintaining the right of the individual to renounce an existing allegiance, to select at will the country of domicile, and having chosen it to transfer to it his allegiance complete and entire. The former idea implies the subordination of the individual, the latter the freedom of the individual.

The American people in the very incipient stage of their history ranged themselves on the side of the freedom of the individual; for we find that the Declaration of Independence, among the "repeated injuries and usurpations" which it enumerates, charges the King of Great Britain with "obstructing the laws for naturalization of foreigners; refusing to pass others to encourage their migrations hither." And no sooner had the young Republic secured the right to ingraft into its Constitution the thought which made its Revolution successful, we find power granted to Congress "to establish a uniform rule of naturalization." To naturalize an individual presupposes the power of the individual to expatriate himself; that is, to divest himself of prior allegiance to the end that he may assume a new national affiliation. And yet from the time when the principle was thus announced until a very recent period in our history the logical consequences resulting from it were ignored even by our own Government.

As late as 1840, while Mr. Wheaton was the minister of the United States at Berlin, when called upon to interfere in behalf of an American citizen of German birth then in compulsory service in the Prussian army, he declined to do so, upon the ground that the "native domicile and natural character of the naturalized citizen revert" the moment he returns to the country of his birth. And such continued to be the view upon which the Government acted in all cases of a similar kind until 1850. To concede that an American citizen may be impressed into the military service of another country (though it be the country of his birth) is to concede that as against that country he is not an American citizen. It is a denial of his right, completely and effectually, to expatriate himself; it presupposes the continuance, notwithstanding such expatriation, of an allegiance imposed by birth dormant during the period of his absence, but liable to be called into full vigor at any time by the fact of his presence again under the roof of his fathers.

In 1858 and 1859 Mr. Wright, our minister at Berlin, in repeated and earnest appeals to the Department of State, called attention to the inability of American consuls or ministers to shield from impressment citizens of the United States born in Prussia; and when in July, 1859, Mr. Cass, in his ever-memorable letter of instructions to Mr. Wright, asserted that—

The moment a foreigner becomes naturalized, his allegiance to his native country is severed forever; he experiences a new political birth. . . . Should he return to his native country, he returns as an American citizen and in no other character—

a new epoch in our diplomatic history was ushered in, and the views which were thereafter to guide the Department of State in dealing with this subject were brought into harmony with the theory of the

Government. Mr. Secretary Seward strenuously continued efforts in the same direction until, the public thought of the country having become fully crystallized, Congress gave it expression by its act of July 27, 1863, when it declared "the right of expatriation" to be "a natural and inherent right of all people, indispensable to the enjoyment of the rights of life, liberty, and the pursuit of happiness," and announced that "all naturalized citizens of the United States while in foreign countries are entitled to and shall receive from this Government the same protection of persons and property which is accorded to native-born citizens."

The nation went a step further, and for the twofold purpose of removing the rule of decision in the Dred Scott case, and of establishing a clear and comprehensive definition of citizenship, declared in the first clause of the first section of the fourteenth amendment to the Constitution that—

All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside.

Shortly afterward the Judiciary Committee of the Senate held the restricting phrase, "and subject to the jurisdiction thereof," in the amendment to exclude the Indian tribes; and the Supreme Court in the Slaughter-house cases construed it to exclude from the operation of the amendment the children of ministers, consuls, and citizens or subjects of foreign states born within the United States. We have it established, therefore, by constitutional enactment, judicially interpreted, that, first, all persons born in the United States, (except persons of the classes above named,) and secondly, all persons naturalized in the United States, are citizens of the United States and of the State wherein they reside.

Citizenship being thus fully and tersely defined in the Constitution, it cannot be necessary to repeat the definition in an act of Congress. If the definitions are synonymous, the latter cannot aid the former; but if the statutory definition contravenes the constitutional definition, the former must yield, for the latter is the supreme law of the land; hence the first ten lines of the second section of the pending bill are entirely superfluous, and should therefore be rejected. Of the remaining portion of the first clause and of the second and third clauses of the second section I shall speak hereafter. Indeed, as we are informed by the Constitution what citizenship is, it seems to me that the main scope of the pending bill should be limited to defining how citizenship may be lost, and I propose briefly to address myself to that feature of the bill. It designates four methods by either of which American citizenship may be extinguished. They are:

First. By naturalization elsewhere.

Second. By the acceptance of foreign service.

Third. By residence abroad for two years or more without registry.

Fourth. By treaty provisions concerning naturalized citizens.

The substitute offered by the gentleman from New York [Mr. Cox] is limited to the first and second of these methods, rejecting the others.

First. As we recognize the right of expatriation in the broadest and fullest sense, it follows that the right of every American citizen to denationalize himself by naturalization elsewhere must be unhesitatingly conceded. The individual in the exercise of a natural and inherent right of manhood may go from among us and incorporate himself in any other nation, and as soon as he does so he is an alien to us, without claim upon us or duty due us. This feature of the bill and substitute will, therefore, meet no opposition.

Second. The second class of persons to be affected are "citizens of the United States who in any foreign country enter into the civil, naval, or military service of any foreign prince or state or of any colony, district, or people foreign to the United States." The bill limits the loss of citizenship to, or rather suspends it during, the continuance of such service, whereas the substitute extinguishes citizenship altogether by the acceptance of the service. I believe the substitute to announce the correct doctrine. The "service" of any foreign power involves allegiance to such power; it is predicated upon an acknowledgment of fealty by oath or otherwise. Such allegiance and fidelity are inconsistent with the contemporaneous existence of allegiance and fidelity to any other government; the existence of the one necessarily excludes the other. Keeping in view the right of the individual to transfer his allegiance, not in part but altogether, and making it the corner-stone of my faith in this regard, I cannot admit the doctrine of a double allegiance, one present and potential, the other dormant and conditional, but as I treat American citizenship when acquired as absolute and exclusive, so I must regard American citizenship when lost as extinguished altogether. Nor is there any hardship in this view, as under the provisions of the substitute the person who by taking foreign service loses his American citizenship may regain it in the manner prescribed by law for the naturalization of aliens, and this is but carrying the idea to its logical results, namely, that the citizen, whether native-born or naturalized, may expatriate himself fully and absolutely, and having done so may be re-admitted to citizenship as an alien.

Third. Under the terms of this bill, citizens, native-born as well as naturalized, who shall be domiciled abroad continuously for two years shall not thereafter be regarded as citizens of the United States, unless they shall within that time register themselves as American citizens in the mode prescribed by the bill. Therefore, a residence abroad of two years continuously without registry works a forfeiture of citizenship.



Does this provision embody a correct principle? It is lawful for an American citizen to go abroad, and, if he secures a passport, he may be said to go with the consent of the Government, yet, if he remains abroad two years and omits to register, this bill, if it becomes a law, denaturalizes him. It will be remembered that to acquire citizenship by means of naturalization it is necessary that the applicant shall have resided among us five years continuously; that he shall have declared his intention to become a citizen at least two years prior to his admission; that he shall, at the time of his admission, on oath renounce his former and assume his new allegiance, and shall, moreover, prove that he is of good moral character and is attached to the Constitution of the United States. The proceeding is in the nature of a judicial inquiry, and is entered of record in the court granting the application. Such are the conditions upon which citizenship may be acquired; yet, if an American citizen, whether native-born or naturalized, remains abroad two years and omits to register, he forfeits his citizenship by this simple act of omission. I fail to discover any just proportion between the difficulty of acquiring citizenship and the ease of losing it. In fact, this provision seems to be framed upon the idea that little value is to be attached to such citizenship, for that which is held by so frail a tenure can be of but little consequence.

Again, so far as I have been able to discover, this method of identifying the citizen when abroad, and of preserving or canceling his citizenship, is altogether novel. We have never tried it, nor do other nations employ it. We have many thousands of aliens living among us, yet the governments whose subjects they are do not "label" them after the manner here proposed. The fact that registry is not employed, although the occasion for it has existed as much heretofore as it does now, and to a greater extent even on the part of other and older nations than with us, is an indication that it has never yet commended itself to the favorable consideration of enlightened nations.

But we are told by the honorable gentleman [Mr. FAULKNER] who reported this bill from the Committee on Foreign Relations, and who is its chief advocate on this floor, that the requirement of registry is intended to apply mainly to three classes of persons, namely: to those who, having domiciled themselves in foreign countries, have carried their wealth or their talents there and have estranged themselves from us; to persons who hold fraudulent naturalization papers; and, lastly, to those who, in order to escape military duty, have made their home among us long enough to secure naturalization and have then returned to their native country to remain there the residue of their lives. It is much to be regretted that citizens living abroad escape all public duties, and it is highly desirable that a remedy should be found and applied if possible. But this bill furnishes no remedy. The man who goes abroad to shirk public duties will not hesitate to register. Indeed he will welcome the opportunity thus given to repel the presumption of national character arising from domicile and will gladly submit to the inconvenience of registering bi-annually if by so doing he secures more firmly the very immunity for which he has gone abroad. The effect, therefore, of the bill, whether so intended or not, is rather to favor absenteeism than to discountenance it.

The classes, therefore, at whom the bill is aimed will not be reached, whereas it will bear unjustly and heavily upon those who go abroad with the intention of returning shall through inadvertence or in ignorance of the law find themselves suddenly robbed of their citizenship without having acquired an equivalent elsewhere; for it does not follow that because we cast out the man who has been absent from us for two years, that any other country adopts him, and we shall thus have created a class of men who will wander over the face of the earth without any national character whatever.

But the subject is one which from its very nature we cannot regulate by statute. It belongs peculiarly and appropriately to the domain of international law—a code the scope of which we can neither enlarge nor curtail by any enactment of ours, but which in conjoint action with the nations of the world we may so develop as ultimately to reach the point we desire. In the mean time let it be regulated by treaty so as to secure us the same rights which we give. As we have large numbers of aliens in our midst, the inquiry how we may exact from them the performance of public duties, which shall in some degree compensate for the benefits of Government which they enjoy, is not without interest. To be in condition to deal with persons of this class without inviting complications, the way should be paved by treaty stipulations with the powers to whose protection they are entitled. Believing this clause of the bill to be erroneous in principle and ineffectual in practice, I shall have no hesitation in voting against it.

Fourth. The remaining class of persons who are to be deprived of citizenship by the bill are "naturalized citizens of the United States who may by the terms of any treaty be regarded as having resumed their original nationality." It will be perceived that the class of citizens here contemplated are "naturalized" citizens, not "native-born" citizens, and that the provision is that the naturalized citizen shall lose his citizenship in a contingency and for a cause that does not apply to the citizen of native birth, and a legislative sanction is asked for the inequality of rights thus recognized.

It may be asked in the first instance what need there is of declaring by statute that persons are not citizens who have lost their citizenship by treaty. As a treaty is by the Constitution part of the

"supreme law of the land," its provisions are not only as effectually law as an act of Congress can make them, but the further obligation of national duty to the party contracted with is superadded, and thus their enforcement rendered doubly certain. If a naturalized citizen may by the terms of any treaty be regarded as having resumed his original nationality, he will be so regarded whether Congress passes this bill or not. As the treaty can derive no aid from the clause under consideration, and indeed needs none, this feature of the bill may well be rejected as superfluous and nugatory; and if objection to it were limited to this merely negative criticism, the further consideration of the subject might well be dismissed; but it has also a positive side, full of subtle poison, carrying with it most baneful effects. In order to reach its true meaning, it will be necessary to look at our treaty relations with some of the powers of continental Europe from whom we have received large accessions to our numbers, and for that purpose I will quote the fourth article of the treaty between the United States and North Germany, made February 23, 1868:

If a German naturalized in America renews his residence in North Germany without the intent to return to America, he shall be held to have renounced his naturalization in the United States. Reciprocally, if an American naturalized in North Germany renews his residence in the United States without the intent to return to North Germany, he shall be held to have renounced his naturalization in North Germany. The intent not to return may be held to exist when the person naturalized in the one country resides more than two years in the other country.

And the same provision is found in the existing treaties with Bavaria, Denmark, Sweden and Norway, Württemberg, and the Grand Duchy of Hesse.

It will be perceived that under the treaties a residence of two years does not *ipso facto* entail a loss of citizenship, but that such residence is but a fact from which an "intent not to return may be held to exist." The direction is not that such intent shall be held to exist, but simply that it may be held to exist, the government in whose dominion the naturalized citizen resides being vested with a discretion either to treat such residence as a renunciation of naturalization or not; and in practice but few cases have occurred in which the governments with whom these treaty relations exist have exercised the right to denaturalize an American citizen unless indicia other than a bare residence of two years intervened to show an intentional renunciation of naturalization, and thus it is that, notwithstanding the treaty, a naturalized citizen may return to the country of his birth and protract his stay there very much beyond the period of two years without incurring the loss of his citizenship. But by this bill the bare fact of a two years' residence is made to work a forfeiture of citizenship; for, under the language employed, so soon as the "naturalized citizen may, by the terms of any treaty, be regarded as having resumed his original nationality," he shall cease to be an American citizen. We are no longer dealing with an option or a discretion; the language employed is not that the citizen shall be deemed lost to us whenever the power within whose jurisdiction he may be shall treat him as having renounced his naturalization; but we are confronted by an imperative injunction that so soon as he may under any treaty be regarded as having resumed his former nationality, (whether he has in fact so resumed it or not,) he shall no longer be regarded as an American citizen. The naturalized citizen is therefore inflexible by an unyielding and inflexible rule, under penalty of a forfeiture of citizenship, from residing in the land of his birth for a longer period than two years.

But to me there is another and a much graver objection to this provision of the bill. I allude again to the fact that it applies only to one class of citizens, and announces that the American by adoption is to be forsaken for a cause which does not apply to the American by birth. When this bill declares that "naturalized citizens," and they only, shall be abandoned by this Government after a residence of two years in the land of their birth, a comparison is instituted, a distinction is drawn between the native and the naturalized American; a cause found which denaturalizes the one, while it does not reach the other; the right of the former is preserved, while the right of the latter is curtailed. If it be true, as the nation proclaimed on the 27th July, 1868, that "all naturalized citizens of the United States while in foreign countries are entitled to and shall receive from the Government the same protection of persons and property which is accorded to native-born citizens," then it cannot be true that a naturalized citizen forfeits his citizenship in a case in which the native-born citizen does not. If the consciousness of the nation, expressed in the Constitution, truly holds "all persons born or naturalized in the United States" to be citizens of the United States, it cannot be that a residence of two years anywhere on the face of the earth shall deprive one of citizenship where the other is permitted to retain it. Any measure therefore which recognizes a disparity of right between American citizens, denies and belies the thought of the nation as recorded in statute and Constitution.

That this disparity now exists by force of the treaties which I have mentioned I do not deny, but I insist that the legislative body of the nation shall not recognize this disparity as right in principle. To adopt this bill is to affirm that the treaties as a matter of right should be as they are. To reject it is to leave the treaties unaffected, but to preserve the principle to which the nation is committed. In making this point I must ask that the difference between what the diplomat in negotiating a treaty may concede to temporary expediency and what the law-maker may record as the solemn judgment

of the nation upon a question of right shall be fully kept in view. Indeed my argument is based upon the presupposition that the distinction will be readily recognized and granted.

The law-maker cannot yield the principle; the diplomat may for the time being. The latter, in dealing with the question, finds that, while his own government holds the most advanced position, other nations concede but a partial relaxation of the ancient doctrine and still claim that naturalization elsewhere does not release a former subject who renews his residence within their jurisdiction from the performance of the duties which his original allegiance imposed. While these conflicting views are held by governments, men in great numbers, born in the one country and naturalized in the other, actuated by the manifold motives that impel human action, are clamoring for some adjustment which will enable them to return with safety, and if but for a brief period, to the homes of their childhood. In this emergency an expedient is sought and it is found in an international agreement by which the conflict of principle remains unsolved, but the necessities of the moment are measurably relieved. Regarded in this light, the adjustment secured by American diplomacy, in the treaties of which I have made mention, must be conceded to be a great triumph, securing substantial advantages to the class for whose benefit it was intended.

I am aware that these treaties have met with hostile criticism in many quarters. In Europe they are assailed upon the ground that they concede too much, whereas upon this side of the Atlantic it is claimed that they concede too little. In indulging the latter criticism it would be well to bear in mind that in reaching an adjustment dependent on mutual concession the test is not what it would be desirable to obtain, but what it is possible to get; and until the governments with whom these treaties exist can be prevailed upon to yield still more, we may congratulate ourselves upon having secured so much, trusting that at no distant day we may be permitted to go further in the right direction, as we have already done in our recent treaties with Austria and Great Britain, (1870.) But in order that we may be in condition to ask more, I deem it essential that our statute-book should contain no declaration waiving directly or inferentially the principle for which we contend. We propose to keep pace with advancing thought upon this subject. A nation of colonists, it behoves us to march in the van, not lag in the rear; and in its onward march I trust the nation may not stop to place of record a declaration inconsistent with the purpose which it proposes to accomplish.

Having thus alluded to the salient features of the bill, I shall devote the remainder of my time to its provisions concerning the national status of minors and married women. There are two classes of each of these with respect to whom the question may be raised; they are:

First. Children of alien parentage born within the United States.

Second. Children of American parentage born abroad.

And again:

First. Women having American citizenship who marry aliens.

Second. Alien women who marry American citizens.

The nations of continental Europe determine nationality primarily by descent, the child following the nationality of the parent; "and this," says an eminent authority whom I find quoted in Cockburn on Nationality, "must be acknowledged to be the right rule, seeing that nationality essentially springs from descent." The rule recognizes the family, the necessity of its control by the parent, and the ties of duty and affection which bind the child to it.

In marked contrast to this rule, England and the United States make the place of birth the sole criterion of the nationality of the person, and, notwithstanding its purely feudal origin, the rule was retained in England unimpaired until 1870, and is the law in the United States at the present day with a modification in two particulars which I shall presently name.

The conflict between these two tests of nationality leads to international disputes and controversies, often seriously threatening the peace of the world, and should be removed, so as to bring the laws of all nations into harmony upon the subject. The anomaly which ascribes a double nationality to the victim of the conflict between these tests will thus be done away with, and governments as well as individuals be relieved from embarrassments.

The place of birth is a mere accident. As a test of nationality its main value is that it constitutes a fact susceptible of ready proof. On the other hand, it is unsound in principle. We ourselves have found it improper to adhere to it with respect to the children of our citizens born abroad; England has modified it; all other states refuse to recognize it, and the foremost publicists of the world discard it.

On the 10th of February, 1855, we declared—

All children heretofore born or hereafter born out of the limits and jurisdiction of the United States, whose fathers were or may be at the time of their birth citizens thereof, to be citizens of the United States.

And as early as 1802 it was enacted as part of the naturalization laws that—

The children of persons who have been duly naturalized under any law of the United States, being under the age of twenty-one years at the time of the naturalization of their parents, shall, if dwelling in the United States, be considered as citizens thereof.

The latter provision, adopted thus early, recognizes that the minor, regardless of the place of birth, shall follow the nationality of the

parent. And the act of 1855 puts us in the attitude of claiming the rule of descent, and not of birth, with respect to our own citizens resident abroad, and of denying it with respect to the citizens or subjects of other countries sojourning here; so that, if a child is born abroad whose father, at the time of its birth, is an American citizen, we claim it. If, on the other hand, a child is born here whose father, at the time of its birth, is not an American citizen, we claim it also. In the one case, we enforce the rule of descent; in the other, that of birth. And the palpable and indefensible contradiction in which we are involved seems never to have alarmed us.

In order to extend to others what we ask of them and to bring our system into harmony with that of the rest of the world, I submit that Congress should not hesitate to adopt descent as the rule in determining nationality, modifying or limiting its application, however, in view of the circumstances in which we are placed. It is a well-known fact that large numbers of aliens are domiciled among us who never become naturalized, but whose children, born upon the soil and purposing to remain permanently, become a part of our people. Under the existing test of nationality, they are American citizens, notwithstanding the alienage of the parent. Interest and convenience both dictate that as to this class of persons there should be no change in the law. Indeed, the fact that the alien parent remains permanently in the country of domicile and rears children there must be presumed conclusively to show not only an assent but an active desire on his part that the child shall have the nationality of the place of birth, for otherwise he would not remain and by remaining permit education and the associations of youth to impress upon his child a national character other than his own, and the presumption is equally conclusive that the child upon becoming of age shares that desire because gratitude, education, and early associations prompt that it should be so. In the case of this class of persons none of the complications can arise which render a change of the present rule desirable. It is only where the minor acquires a residence abroad that the conflict occurs, against which we are seeking to guard. Hence I have prepared and will in proper time submit, in lieu of the provision embraced in the second sentence of the first clause of the second section of the pending bill, the following amendment:

Children born in the United States who shall during minority become resident beyond the limits of the United States shall follow and have the citizenship of their father, and, in case of his death, of their mother. And the same rule shall apply to children born abroad of American parentage.

It is all-important that the doctrine of "double allegiance" should be done away with. I am unable to perceive how one and the same person can at the same time owe allegiance to two governments. While both may claim it, it can rightfully belong to but one. Yet until we make a change in the existing law we will constantly be exposed to entanglements of this kind.

Within a year past we have had a happy illustration of the doctrine of "double nationality." A person of foreign birth became naturalized in the United States in 1854, and while resident here and a citizen had a son born. Four years after the birth of the son the father, taking his family, including the son, with him, returned to the country of his origin, and, remaining there, re-acquired citizenship during the son's minority. Now, by the laws of all other nations except our own (including even England since 1870) the son would have followed the national status of the father. But by our law he remained an American citizen. Yet when this American citizen reached the age of twenty years he was conscripted into the army of the country in which he lived, and having claimed American protection, the highest law officer of this Government decided him to be "a native-born American citizen," and said: "There is no law of the United States under which his father or any other person can deprive him of his birthright. He can return to America at the age of twenty-one, and in due time, if the people elect, he can become President of the United States;" but also decided that the young man, in addition to his natural nationality, had an acquired nationality, and that by virtue of the latter he was rightfully conscripted. And thus it is that the future President of the United States is now bearing a Prussian musket, and is no doubt reflecting upon the value of double nationality. If he should return while the United States are engaged in a war he will be liable to be again conscripted, this time not by virtue of his acquired nationality, but by virtue of his natural nationality. If while in his present term of conscription we should happen to engage in a war with the country whose musket he bears, he is guilty of treason, for he is an American citizen bearing arms against his country. If, on the other hand, we conscript him, and engage in war with that power, he is no less guilty, because he bears arms against the country of his acquired nationality. And if the penalty of treason should be visited upon him in either country, he will have illustrated the true meaning of double nationality. His case demonstrates the absurdity of a doctrine of which it is possible to predicate such consequences.

While the Attorney-General's decision in the case alluded to is quite in accordance with what the law ought to be, and what by my amendment I submit it should be made, I cannot persuade myself that his decision is borne out by what the law is. No good reason can be assigned for a rule which in practice we have been compelled to abandon, and which, if attempted to be carried out, will lead to utterly indefensible results.

In regard to married women our legislation has been equally un-



fortunate, though involving far less important consequences. At the present day, in all countries except our own, a married woman is deemed to have the citizenship of her husband, her nationality on marriage being merged in his. He is the head of the family. As the exercise of political rights centers in him, the family manifests its influence in the State through him; he therefore impresses his nationality upon every member of the family. But by the laws of the United States, which in this instance again follow blindly the precept of the common law, an American woman retains her American citizenship notwithstanding her marriage to an alien; whereas by the act of February 10, 1855, an alien woman, by her marriage to a citizen of the United States, acquires the nationality of her husband. It is therefore the sense of our law that marriage does and does not confer on the wife the citizenship of the husband; and we have been content to permit it to announce this contradiction for more than twenty-one years past. The pending bill, which in this particular is a verbatim copy of the British statute of 1870, settles the principle correctly in declaring that—

A married woman shall be deemed to be a citizen or subject of the state of which her husband is for the time being a citizen or subject.

Its adoption will place us in harmony with the universal rule on the subject.

The principle that a woman may upon the termination of marriage resume her natural allegiance is also of universal recognition. And I apprehend that it is but an oversight in the bill limiting it to cases in which the marriage is terminated by the death of the husband; it should also embrace the termination of marriage by divorce, the idea being that as soon as the marriage relation ceases the woman must be at liberty to resume her former nationality.

I have but a further remark to add, and that is as to the process by which citizenship may be re-acquired by those who may have lost it by any of the methods named. Under our theory naturalization is a judicial proceeding, which, when consummated, carries with it the effect and sanction of a judgment. Such being the accepted doctrine of the country, I see no reason for deviating from it by permitting a declaration of citizenship to be filed with the Secretary of State, who is not a judicial officer, but I would vest the power in the tribunals now authorized to take proof of naturalization.

I have been compelled to dwell somewhat at length upon the leading features of the bill, and have no excuse to offer for doing so except the great importance of the subject and the sincere desire of having our law settled upon a correct and true foundation, hoping thus to eliminate its chaotic features and to bring it into unison with the accepted doctrines of the civilized world, thus evolving a law common to all nations which shall be just to individual rights and in the interest of peace between nations.

#### Texas Pacific Railroad.

### SPEECH OF HON. E. Y. PARSONS,

OF KENTUCKY,

IN THE HOUSE OF REPRESENTATIVES,

June 14, 1876,

On the bill (H. R. No. 479) in relation to the Texas and Pacific Railroad.

Mr. PARSONS. Mr. Chairman, so much has been so ably said and written upon the subject-matter of the present bill, and so exhaustive have been the arguments advanced for and against its passage, that I undertake the discussion of its merits with hesitation; nevertheless, at the risk of a charge of repetition, feeling that the interests of the people whom I have the honor to represent are to some extent involved in this measure, I ask the indulgence of the House while I briefly state some reasons why I advocate the bill.

No measure has been brought before this Congress which should demand a more careful attention, for it comprehends the fundamental principles of our common prosperity.

Amnesty is its foundation, a liberal intercourse is its superstructure, a perfect union is its dome. Urging the construction of one of the chief elements of civilization, preserving the idea of community of interests between heretofore conflicting sections, and looking to a general prosperity in developing the wealth of the country, it may be truly denominated in its effects a trinity of production, enterprise, and union.

Roads, as a means of civilization, are unquestionably of advantage, whether they be the corduroys, causeways, turnpikes, or the steel tracks. Over them has passed the wealth of all nations. Through them, as so many great arteries, has flowed the life-blood of commerce. They are evidences of prosperity, and in their improvement a notable feature in the progress of people is exhibited.

The ancient cities of the world have been celebrated for their arts and their arms. The fame of their sculpture and their architecture has reached even unto us. Their conquests were glorious, their scholars cultured, their poets and orators, who are with us to-day, incomparable, and on the pages of history their works are emblazoned. They have erected monuments to the energy, industry, grace, love, valor, and enterprise of their respective cities.

Indebted, as we are, to their brilliant examples in literature and science for whatever of excellence we may have attained, we feel constrained to say that more enduring monuments than works of art, statuary, grouping, and painting remain for us to contemplate. The Appian Way will be remembered when the name of Cato is thought of only by the scholar, and the great roads of Rome will prove more lasting reminders of the success of her arts than the conquest of Gaul or the fame of Caesar.

Splendid as were their achievements in arms, material improvements in the territory of conquests are better remembered than the battles of warriors, and causeways and roads are the enduring monuments to glory. Facilitating commerce, they destroy sloth in the mart; promoting intercourse, they abolish differences of opinion; and embracing sections, they establish harmony.

It is not supposed that any one would either advocate or oppose the passage of this bill from motives purely sectional; but it is earnestly thought and believed, although incidental benefit may result to certain portions, the measure itself is of advantage to the whole country. Its effect would be to restore activity to, and to re-energize to a large extent, our paralyzed industries.

But before proceeding to discuss the material points of the bill, an objection, that a subsidy is required by its provisions, may well be considered. It is urged that a democratic House cannot afford to pass any measure which even looks at such appropriations.

The doctrines of the democratic party are the only ones in whose practices safety is assured to the Government and prosperity to the States. To them I expect to yield a constant adherence, and in them I find nothing that should deter any one from giving a hearty support to any measure the result of which would be generally beneficial. If it were a debatable point, and not a concluded question by the Supreme Court of the United States, much might be said for and perhaps against the policy of lending Government aid to private corporations, and a constitutional inquiry might result. But the matters that would grow out of such discussion have all been settled, and a co-ordinate branch of this Government has recognized the progressive tendencies of the age, and from a constitutional standpoint has decided that our fundamental law does not inhibit the aid of the Government to such enterprises. It is only necessary to refer to the very recent decision in the case of the Union and Central Pacific to establish the truth of this statement. Times change and we change with them. The policies of the past age are unsuitable to the progress of the present. There is no branch of human ingenuity or industry that does not furnish proof of progressive change. The arts of both war and peace are a sufficient demonstration. Politics, dependent upon both, change with them, and a wise statesmanship takes advantage of the fact and improves the opportunity for a nation's benefit.

Time was when it might have been thought the aid of the Government toward the erection of a great national highway and the assumption of control of it would be an invasion of the rights of a State; but the Constitution is so clear upon the right of the Government to establish postal roads and to regulate commerce between the States, and so repeatedly has this been recognized, that the matter is now beyond dispute. The declaration of the law, which is held to be constitutional, giving the Government the control of rivers that run between States is equally applicable to the right claimed of supervision and control over these vast railroads. Supplanting as they do the old turnpike and in lieu of the stage-coach, furnishing magnificent trains of cars, with one continuous line from State to State, across the continent, they, in a notable measure, constitute the chief means of commercial intercourse between the States, and in connection with the postal system come directly under the authority of Congress. Viewed in this light, it is clear that legislation of this character, being both beneficial and remedial, even though the Government should be required to pay for the good which the people would receive, the people being the Government, falls within the line of precedent, and, as to its constitutionality, is *res adjudicata*. But, sir, we need no precedent for that which is right. Policies and precedents may be furnished in abundance; but the cry of subsidy ought not to intimidate.

The best minds, governing all nations, including our own, in their practices have demonstrated the fact that the prosperity of the country depends largely upon its roads and the facilities of intercourse between different sections, and even though subsidies and the direct aid of the state are granted, the resulting benefit to the general prosperity in their estimation has been more than sufficient to compensate for the outlay. Thus, in fostering enterprises of this kind, have they exhibited their wisdom. Another matter at the opening of this discussion may be noticed. The territory through which it is proposed to lay this road is an acquisition resulting from a war with Mexico. The discovery of gold upon the domains of a distinguished resident of that portion of the country, as an excitant to the cupidity of the American citizens, impelled large numbers of them to invade the territory in search of the modern *Pactolus*. The discord arising from such unwonted invasion, although it may not be considered as the whole cause of war, was, in connection with the Texas difficulties, a circumstance which contributed to increase the differences between the republics, which difficulties culminated in strife, the end of which was the treaty known as the treaty of Guadalupe Hidalgo. It is scarcely necessary to urge upon the attention of the House that, under the Constitution, a treaty duly ratified becomes a

part of the supreme law of the land; no act of any State, either by court or legislature, can avail to invalidate the solemn compact entered into by conflicting nations. No State can set up its limited boundary against the authority conceded by the States to Congress, but in pursuance of treaty rights the authority of the Government is subject only to the revision of the judicial power of the United States.

By this treaty our Government undertook to protect all who should occupy the acquired territory. The obligation accrued the moment the treaty was signed and our banner waved in peaceful possession over the golden West. Protection does not mean the simple stationing of soldiers upon a frontier, planting a battery, or the erection of fortifications; it does not mean simply immunity from outrage by reason of the proud flag that floats above us, or the stalwart arm, the hissing shell, the loud-mouthed cannon, or the rattling musket; but it means peace as well as war, and the employment of all the remedial agencies necessary to restore a devastated country and to open up the avenues to prosperity and to wealth. To keep off injury violently menaced, and to furnish every facility to maintain private prosperity, together constitute protection. Obligated as we are by the treaty referred to, and pledged as we are in national faith to a strict adherence to its terms, together with the implications involved in them, how can we consistently refuse as States, and as a people, by every means in our power to maintain and to advance the prosperity of the annexed section?

This bill does not in any sense require a subsidy of the United States, but, on the contrary, constitutional as such a requisition is, in the light of recent decisions, it proposes to indemnify the United States for its guarantee by yielding to its almost uncontrolled possession a rich extent of land granted to the corporation by the State of Texas and to assure by further pledge, not only of the lands granted by the United States, but of all the earnings of the road, utter freedom from loss upon the proposed contract; furthermore, the indorsement of the Government by the express stipulation of the bill is not to be given, or rather, the bonds of the Government are not to be issued until the United States authorities are assured that a sufficient extent of the road to be paid for by the bond in the shape of advanced interest has been constructed, and that assurance is to be given by accredited officers of the Government. Never in the history of railroad construction has there been such a fair offer to our authorities to aid by credit simply in conferring a lasting benefit upon a prostrate section and to promote the material prosperity of the whole country. An additional feature in this bill may deserve comment. With very slight restriction, if any at all, the road is placed in the hands of the Government. The rates of transportation and of freight being exclusively in the control of Congress, thus render it utterly impossible for combinations to be made by which the passenger or the shipper would suffer extortion. All connecting roads are bound by the same stipulation, and as this grand transcontinental line will undoubtedly invite a large portion of the commerce of the East as well as the West, there is a constant assurance in this feature of a permanency of rates for freight and transportation.

The incalculable benefit resulting to the business world from such an arrangement would in itself be an insuperable argument for the passage of this bill. But as to the Government, there is another reason—and by the Government I mean the whole people of the United States, who pay the taxes and carry on the machinery of public affairs—and that is the free transportation of troops and supplies as well as the postal service. It is well known to gentlemen upon this floor, and is certainly matter of record open to the inspection of any one, that annually large amounts of money have been expended without any adequate return for the transportation of troops and supplies for the Indian country and to the Texas frontier; not as many, perhaps, in the latter instance as were necessary to protect that State from its unhappy troubles and the incursions of refractory neighbors, but still enough to constitute an item in the general bill of expenditures for the national defense.

The saving in the postal arrangements and service of the Government, although all matters mentioned are not absolutely free, constitute, with the others, an item in this, that all such service, as well as that just referred to, is to be rendered to the Government by this road practically free of charge. In other words, the Government will have, under the provisions of this bill, the right to free transportation of troops, supplies, and mails, until the interest for which the bonds are indorsed shall be paid into the national Treasury.

I do not give the statements of expenditures borne by the people in each of these branches of public service and defense, as statistics so complete have been published upon the subject, and as they are well known and understood; but there is assurance for saying that the saving to the Government—rates being under our control—will be large indeed, until all of the liability of the Government by reason of the bonds is discharged.

It is a well-known fact that a combination of causes, unnecessary to mention to the enlightened gentlemen who hear me, has resulted in depressing to a large extent the laborers of the country, and has thrown them out of employment. Thousands upon thousands of them to-day are almost without bread. Desolation sits brooding at their hearth-stones. Despair hovers over their roof. Starvation is their unwelcome guest. It is not to be wondered at, in view of their great sufferings, that the laboring-men of the country have been driven to the extreme even of arms to compel a sustenance which dearth of

labor, prostrate industry, and hoarded capital refused. The wisdom of the Government can never be better exhibited than by the adoption of such legislative measures as not only protect the citizen in his rights, but afford every opportunity to the laboring classes for the exercise of their industry, thereby insuring their prosperity and consequent happiness and discharging the duty of a proper Government, which is to do the greatest good to the largest number. The laborers constitute by far the majority of the population. Capitalists, jobbers, and clerks, customs officers, and professional men combined, do not number the men whose toughened sinews have heretofore fought the battles and wrought the prosperity of the nation. To that class of people, worthy as they are, and as will doubtless be admitted, necessary to the advancement of the material interests of the country, due consideration should be given. If in their success they labored well, and that they did our mechanical and agricultural industries and arts are a fair evidence, in their misfortune it should be the wisdom of an enlightened policy, as far as possible, to relieve distress and to prevent calamity from overwhelming this class of our population.

How to achieve so desirable an end is an interesting problem, to solve which, considered in the light of financial and other difficulties which surround the administration of public affairs, is hard indeed. Yet it may be suggested, if not as a solution, at least as a measure which makes a figure in that result, that the adoption of this bill will afford to the laborers of the country an opportunity for the exercise of their industries, and it might be for the accumulation of property. Not only in one branch, which is the mere construction of the road, would the facilities for labor be increased, but in the vast iron industries of the country, which would be immediately called upon to furnish the iron and steel necessary for track construction. Forges that are now idle would be busy. Mechanics who are now without occupation would have suddenly restored to them the means of subsistence and probable prosperity. A new ambition would energize our laboring force, and with the compensation which is the meed of earnest effort would awake a spirit of progress, which, taking care of the present, still points to the future. It has been said, "Westward the course of empire takes its way." History proves it, and the assertion has all the force of a maxim. The foundation of empire is labor, and while the valor of the soldier may protect, the industry of the artisan builds and finishes. The pickax and the shovel have been, perhaps, of more advantage to the prosperity of this country than the sword. Giving to them, then, the opportunity which this bill affords for honest labor, local difficulties will disappear, and to a large extent the unemployed will receive employment, and riot, rout, and disorder all cease.

If there be one question which more than another is of vital interest to the American people at this juncture, it is the question of finance. With a country of almost exhaustless wealth; with a population eager to work; with unexplored resources and unused energies that are vast, we find ourselves some years after the close of a great civil commotion an embarrassed people. Many schemes have been suggested by gentlemen distinguished alike for their integrity and their intelligence, and put forth in an honest attempt to give relief to the money pressure of the South and West, and to settle if possible the financial matters of the country; but it seems that while contributing to the desired end no satisfactory result has been reached. Without pretending even so much as to suggest a line of policy in a matter which has puzzled the most acute intellects of the nation, I may urge upon the consideration of the House some facts in connection with this subject which I do not think will be disputed. Should this bill become a law, as has been before stated, a considerable amount of labor will be necessary. To pay that labor large sums of money will be required. Capital always seeks its most profitable investment. It neither rises nor sinks below its level, but commands its price.

Let the Government but comply with the provisions of this bill, by guaranteeing the payment of the interest under the stipulated restrictions, and scarcely a week will elapse after final approval before an army of laborers will be steadily at work on the proposed route, and the locked-up money of the East find free circulation. The East has controlled the money market, so to speak, of the whole country for a period of time. A system of financing was adopted years ago which, however honestly intended, has proved extremely injurious to the best interests of the largest portion of the country. Our money became the subject of barter and sale, and from being a standard of value degenerated, under the practices then instituted and continued until now, into an article of commerce, to be bought and sold. In these speculations, by reason of superior advantages in offices and the disturbed condition of the West and South, the East became the recipient of nearly all the money of the United States; and it has since been hoarded. The consequence has been a depression in the business affairs of the South and West to an extent almost incalculable. With no medium of circulation in a comparative sense, or rather with no money to pay, they could neither buy and sell goods nor till the soil. The consequence was complete stagnation and prostration of every material industry. That state of things has continued until now; and while it may not be an absolute relief in this sense, the construction of this road, inviting, nay, almost compelling the capital of the East to unite with the South and West, would certainly contribute to the common prosperity by forcing money to its legitimate and proper union, which is with labor, and it may be safely said that



not only our own but foreign capital would eagerly seek so profitable an investment.

The country through which this road will pass is not only peculiarly adapted to the continuous and uninterrupted transit across the continent, but is also rich in production. Free from the snows of the North, and lavishly blest by the bountiful hand of the Creator with all that is necessary for the wants and the luxuries of man, it offers an abundant opportunity for the increase of our agricultural interest, and mother earth, while giving us the corn, the wine, and the oil, is no less generous in that favored section in other industries, and from her open bosom she pours into our lap her vast mineral resources; her iron of commerce, her silver of trade, her gold of value.

The objections urged by some as to this proposed route being not feasible by reason of natural obstacles in the way are answered by the fact that in one notable instance obstacles of much greater magnitude have been overcome, and now one continuous line in the northern portion of the country exists. The patient and untiring skill of the engineer has been able to surmount these obstacles, and the ascending grade or lengthened tunnel furnished him the ready means of scaling the cloud-capped mountain or piercing its base. The ruggedness of the country serves but as an incentive to genius, and as the mathematical mind marks the line of transit across the lofty Sierras, the eye rests on "a grand animated spectacle of nature," with alternate hill and vale, pure streams, rich table land, and wide-extended plain—a scene the promise of the future, when patient toil shall plant in the virgin soil and reap the rich reward of a full harvest, while steady contemplation opens those hills, "rock-ribbed and ancient as the sun," and in their strong embrace views more of wealth than was ever contained in the glittering caves of Golconda or Peru. Through this magnificent country, rich in all that pertains to material prosperity as well as beauty of landscape, it is proposed to run this road. One may well conceive what would be the immense advantage to the whole people of the United States in the matter of commerce as well as in the promotion of civilization by the advancement of this enterprise. As the road is gradually extended its progress will be attended with the usual concomitants, and in that rich country in a larger degree, owing to the depression of business and the distress of labor. The desert places will be made to blossom as the rose, the wilderness will be redeemed, and the fields yield their bounteous return to the patient hand of labor. For the cry of the panther, there will be the low of cattle; for the growl of the bear, the peaceful call of the plow-boy; for the silence of the wilderness, the busy hum of industry and art; and for the war-whoop of the savage, the "sound of the church-going bell;" while a whole section, energized, yea brought to life by reason of this great project, with silent voice joins in the psalm of praise. Villages, towns, and cities will mark the places where desolation now reigns, and give their aid to the promotion of the prosperity of the whole country.

But this is not all. This vast road that, connecting the Atlantic with the Pacific and furnishing a ready facility for the transportation of home products to all sections, has yet another advantage to which it may be proper to allude. Across the peaceful bosom of the Pacific come ships from the East laden with the products of oriental industry. The islands of the sea send their mite to swell our commerce. Through a continuous line, uninterrupted by stress of weather, inducements could be offered for an increase of this commerce which would doubtless be entertained, and which would result in almost a perfect union of the business enterprises of the East and West. It is scarcely necessary to refer to the incalculable benefits which would accrue to all sections from this character of commerce. The road being a great public necessity, and its construction being a matter of time only, it may be properly said that now, is the accepted time.

But it is urged that the impoverished condition of our national finances will not permit the assumption of liabilities even to the limited extent which is here asked, and that the Government would be doing a great wrong to its citizens to incur the risk of so large an expenditure as the guaranteed interest upon the bonds issuable under this act. With the promise, which cannot be disputed, that no private corporation or set of men can be found with sufficient capital and public spirit combined to carry out so great an enterprise, and that without governmental indorsement, against liability on which ample security is provided for in this bill, the road cannot be built, attention may be called to the fact that the national exchequer without distress to-day pays large sums for the support of similar enterprises, and the public domain yields largely of its territory for their maintenance. The cry of poverty ought not to be heard, or, if listened to at all, it should bring up before the mind thoughts which ought to die, reminiscences which should fade from memory, and acts which should be blotted from the page of history. At present we behold this anomaly in Government: One section of a common country prosperous, the other impoverished. The strong arm of protection and fostering care extended over the one, while the other, with a heavy burden of taxation and large payment to the revenues of the country, is without aid and suffered to languish. To those who say poverty, the answering voice of justice and equality may be lifted. A Government that was able with one stroke of the pen to destroy millions and by a single proclamation to disorganize an entire labor system; that, with the torch, could overwhelm in general conflagration cities and towns; that, with the raider, could trample down the growing grain and render vain the promise of a harvest, and, at the

close, exact full payment and discharge of the very expenses incurred by itself in a war of subjugation, can certainly afford, being in possession of the spoils of conquest, after doing so much to destroy, to do some little to rebuild and to obliterate the traces of wrath and desolation which so vividly recall to memory the scenes and incidents of the most painful period of our history.

I am surprised that a determined opposition to this measure comes from certain sections where railroad facilities are great and their value certainly known. Not only for these reasons, sir, do I express this surprise, but for the further fact that, to a great extent, the very roads upon which their prosperity is to-day founded were built by subsidy, and, while the sections themselves may not have received direct return in revenue to the local treasury, the munificent land grants which first encouraged the enterprise procured for them an industrious population whose settlements have since grown into towns and cities and whose agricultural and mechanical industries have swelled the aggregate wealth and increased the general prosperity of their States. It certainly comes with an ill-grace from those whose sections have been benefited so greatly by state practices similar to this now sought to object even upon the ground of subsidy or of former failures of direct return of money expended. The efforts of their statesmen whose far-seeing wisdom inaugurated the policy of state aid in building up these immense lines of commerce, successful as they have been, are the best argument that can be used against their objections.

It may be that some idea of monopoly has taken possession of them, and, with a view to restrict trade coming from the extreme West to their own lines and routes, they oppose the construction of this road; that they are unwilling that there should be any competition in the transportation of freight and passengers to and fro across the continent, but that the people shall be subjected for their benefit to uncontrolled charges. I hope that I err in this, and I trust the gentlemen who are so earnest in opposition to this measure will reconsider, and, while they estimate the advantages derived from the connecting lines from the Atlantic to the Pacific in their own States, they will be sufficiently generous to say that the same advantages should be given to those who have not heretofore been so favored, and in a section which, from every consideration of commerce, production, and enterprise, so manifestly requires development.

If there be any sincerity in the oft-repeated asseverations made upon this floor during the present session of Congress that the disposition of the people is to forget past differences and in the practices of friendship and patriotism to perfect the Union of the States and if it be true that a general amnesty is desired, it may be said that in the construction of this road as proposed an important step will be taken in the direction of the consummation wished. The North, the East, the West, and the South will join not only in the profitable embrace of commerce, but in that intercourse which, familiarizing each with all, strengthens the bond which now unites them and verifies the assertion of peace and good-will. From the Atlantic to the Pacific and from the gulf to the lakes the effect of this great highway will be felt and its advantages realized. No better period can be imagined than the present for the encouragement of sentiments of union and no more fitting monument can be erected to mark the complete reconciliation of the sections.

Let the road be constructed as proposed by the bill, not with the funds of a gigantic monopoly or upon any compromise measure, nor yet at the absolute expense of the Government, but remaining under the governmental control as to rates, and freights and cheap transportation and rapid communication between the extremes of our country will be the result.

What more could be asked in a business point of view?

But, sir, the measure seems to me to be one which will not only confer lasting benefit upon the whole country in its various industries, but will contribute largely to the redemption from utter financial prostration of the largest portion of the country. It will revivify the South, energize the fainting body, and, as the blood of commerce flows through her depleted veins, industry and activity will gradually resume control, and a grateful prosperity will yield to all sections the tribute of a generous return. Revenues will be increased, and that region, now impoverished and sad, will be made happy in the enjoyment of wealth and enterprise.

Without causing statistics to be read, which have already been published and doubtless fully understood, I may say, finally, that for these reasons I advocate the passage of the bill: First. The immense advantage to the whole country by cheapening transportation and freight and relieving financial pressure. Second. The utter absence of anything like subsidy in the provisions of the bill. Third. The impossibility of combination against the passenger or shipper as to rates, the Government retaining control. Fourth. The discharge of treaty obligation, which is imperative law. Fifth. The profit to the Government in transportation of troops and supplies, and almost free postal service. Sixth. The increase of the mineral industries of the country and the large addition to our agricultural products. Seventh. The relief given to the laborers of the country, who will not only obtain employment, but, perhaps, wealth in the prosecution of the enterprise; and last, but not least, the adoption of this measure will not only be just but generous to a devastated section and a sure proof of sincerity upon the part of all whose protestations evince a desire for peace and harmony and a complete reconciliation.

## The Tariff.

**SPEECH OF HON. W. TOWNSEND,**  
OF PENNSYLVANIA,  
IN THE HOUSE OF REPRESENTATIVES,

June 10, 1876,

On the bill (H. R. No. 3192) to revise and simplify existing laws imposing duties on imports and to reduce taxation.

Mr. TOWNSEND, of Pennsylvania. Mr. Speaker, at a time like this, when many of the industries of the country are still suffering from the panic of 1873; when the iron and cotton and woolen mills are running on short time and with reduced forces; when workmen are yet standing around the streets of manufacturing villages unemployed and awaiting a revival of business to enable them to make a comfortable provision for their households, it is amazing that a committee of Congress should report favorably a bill whose certain influence would cause a still greater depression of manufactures.

The bill reported by the distinguished chairman of the Committee of Ways and Means, [Mr. MORRISON, of Illinois,] makes such an important reduction of duties on articles that we can manufacture at home, being 20 to 50 per cent. reduction, that if it should become a law it would open our ports to a flood of foreign commodities and deluge our marts with the scrapings of European warehouses.

As it stands to-day in the House, only partially acted on and with a hesitation on the part of the chairman to state positively whether or not he proposes to ask the House to take action on it, it is a standing menace to some of the most important industries of the country, and capitalists engaged in the glass, iron, cotton, woolen, and many other manufactures stand comparatively idle, afraid to make contracts lest the new tariff bill should become a law and prevent them from fulfilling their engagements. It hangs threateningly over them, apparently ready to fall and crush their industries, like the sword of Damocles, suspended by a single hair. It is another instance of that uncertainty of our national legislation, which is the great annoyance of business men of whatever character, and which periodically paralyzes the most valuable and most cherished industries of the nation. If our people could be certain of the steady maintenance of our legislation for a series of years, even if it were not of the most favorable character, they could accommodate themselves to it, and by ingenuity and skill and by perfecting their machinery, could render themselves and the nation prosperous.

Unfortunately, however, our legislation, whether concerning the tariff or currency, the public lands or the postal system, is vacillating and wavering, and capitalists hesitate to embark in enterprises that, under a more steady policy, they would readily undertake.

It is too true, as the gentleman from Illinois remarks in his opening sentences of his carefully prepared speech, advocating his bill, to which I listened with attention, that if it should become a law, "it will necessarily affect the trade, commerce, and industry of the whole country," and he might, in my judgment, have added "most disastrously, too."

I agree with him that "a measure of such magnitude ought to receive the most earnest and thoughtful consideration."

He is a believer in the system of direct taxation, saying, "though impracticable now to resort to it, that system is best because most equal which takes from the tax-payer his due proportion in the most direct manner." Such a system we were compelled to use during and after the late rebellion, with its horde of assessors, collectors, and their respective assistants and other officials, until the people would not permit the system to continue, but abolished it all save that small remnant which remains to collect duties on whisky, tobacco, and other minor articles.

With the disciples of free-trade clubs, and echoing the oft-refuted doctrines of free-trade writers, he asserts that "protection, therefore, other than that incidental to revenue, is spoliation, because it takes the earnings of the labor of one person or class of persons, and gives these earnings to other persons or more favored classes."

Under his view of the case, he, with all other Congressmen, is guilty of obtaining the same kind of benefits of which he complains of manufacturers for receiving, for the Government takes from the earnings of the people and pays his salary as a member of Congress therewith. It may be said that he renders an equivalent therefor, but the same answer is equally applicable to the manufacturer. Indeed, it may be more justly said that the manufacturer renders a greater equivalent, for under protective tariffs he has reduced the price of foreign commodities to the consumer, which had to come into competition with his own. In common with other free-trade writers he also hesitates not to assert that "the cost of all domestic products is therefore increased by the imposition of tariff taxes on foreign imports."

As a protective tariff is called by a large portion of the democratic party "spoliation" and by another portion "robbery," I desire to read a few brief extracts from the writings of the fathers of the Republic to show in what esteem the protective principle was held by them. They had suffered under the taxation of the mother-country; they had been denied the privilege of contributing to their own necessities by the labor of their hands and the ingenuity of their intellects, and of them it was said by their rulers "they should not make a hobnail."

After the independence of the colonies was secured the confeder-

tion was on the eve of dissolution because of a want of power to secure equal commercial rights to the colonies because of their diverse and antagonistic legislation. As soon as the Constitution was adopted, Madison brought before Congress a bill wherein the preamble set forth that "whereas it is necessary for the support of Government, for the discharge of the debts of the United States, and for the encouragement and protection of manufactures, that duties be laid on goods, wares, and merchandise imported, be it enacted," &c.

Washington signed the bill on the 4th of July, 1789.

Here, then, at the very dawn of our constitutional Government was a distinct and emphatic announcement and affirmation of the principle of protection.

Following down the line of Presidents we find in their messages and other writings the same principle fully and unhesitatingly maintained, for they had not as yet found out the new-fangled democratic doctrine that protection was "robbery."

Washington, in one of his messages, said:

The advancement of agriculture, commerce, and manufactures by all proper means will not, I trust, need recommendation; but I cannot forbear intimating to you the expediency of giving effectual encouragement as well to the introduction of new and useful inventions from abroad as to the exertions of skill and genius in producing them at home.

In Jefferson's second annual message, he recommends protection in the following words:

To cultivate peace and maintain commerce and navigation in all their lawful enterprises as nurseries of navigation and for the nurture of man, and to protect the manufactures adapted to our circumstances, these, fellow-citizens, are the landmarks by which we are to guide ourselves in all our proceedings.

In his eighth annual message he recommends not only protection but prohibition, in this language, namely:

The situation into which we have been forced has impelled us to apply a portion of our industry and capital to national manufactures and improvements. The extent of conversion is daily increasing and little doubt remains that the establishments formed and forming will, under the auspices of cheaper materials and subsistence, the freedom of labor from taxation with us, and of protecting duties and prohibitions, become permanent.

In his letter to Benjamin Austin, in 1816, he sets forth his belief in the necessity of encouraging domestic manufactures, thus:

He, therefore, who is now against domestic manufactures must be for reducing us either to a dependence upon that nation or be clothed in skins and live like wild beasts in dens and caverns. I am proud to say that I am not one of those. Experience has taught me that manufactures are now as necessary to our independence as to our comfort.

Madison, too, in his message of 1809, adopting the sentiments of Jefferson on the subject of protection, said, in speaking of the duty of Congress:

It will be worthy at the same time, of their just and provident care, to make such further alterations in the laws as will more especially protect and foster the several branches of manufacture which have been recently instituted by the laudable exertion of our citizens.

Monroe, in his inaugural address, shows the value of protection to manufactures to the producers of raw materials. He says:

Our manufactures will likewise require the systematic and fostering care of the Government. Possessing as we do all the raw materials, the fruit of our own soil and industry, we ought not to depend in the degree we have done on supplies from other countries. \* \* \* Equally important is it to provide at home a market for our raw materials, as by extending the competition it will enhance the price and protect the cultivator against the casualties incident to foreign markets.

Probably the strongest enunciation of the necessity for the encouragement of American manufactures and the doctrine of protection so much denounced by modern democrats is to be found in General Jackson's letter to Dr. Coleman in 1824, and in his second annual message in 1830.

In the former, which may be found in Parton's Life of Jackson, volume 3, page 35, from which I read, he shows, among other things, the value of manufactures to the farmer. After speaking of the vast amount of raw material we possess, he says:

Draw from agriculture its superabundant labor; employ it in mechanism and manufactures, thereby creating a home market for your breadstuffs, distributing labor to the most profitable account, and benefits to the country will result. Take from agriculture in the United States 600,000 men, women, and children, and you will at once give a market for more breadstuffs than all Europe now furnishes us with. In short, we have been too long subject to the policy of British merchants. It is time we should become a little more Americanized, and, instead of feeding paupers and laborers of England, feed our own, or else in a short time, by continuing our present policy, we shall be paupers ourselves.

In the message he lays down the doctrine of protection thus, and it is worthy of the most serious attention:

The power to impose duties upon imports originally belonged to the several States. The right to adjust these duties, with a view to the encouragement of domestic branches of industry, is so completely identical with that power that it is difficult to suppose the existence of the one without the other.

The States have delegated their whole authority over imports to the General Government, without limitation or restriction, saving the very inconsiderable reservation relating to the inspection laws. This authority having thus passed from the States, the right to exercise it for the purpose of protection does not exist in them; and, consequently, if it be not possessed by the General Government, it must be extinct.

Our political system would thus present the anomaly of a people stripped of the right to foster their own industry and to counteract the most selfish and destructive policy which might be adopted by foreign nations.

This surely cannot be the case; this indispensable power thus surrendered by the States must be within the scope of authority on the subject expressly delegated to Congress. In this conclusion I am confirmed as well by the opinions of Presidents Washington, Jefferson, Madison, and Monroe, who have each repeatedly recommended this right under the Constitution, as by the uniform practice of Congress, the continued acquiescence of the States, and the general understanding of the people.

The Society of Tammany, in its purer days and before it had become



a mere political club, was in 1819 exceedingly patriotic, and recommended to the societies of the order the propriety "of refraining from every species of useless extravagance in our mode of living, especially in furniture, dress, the table, ostentatious equipage, and expensive amusements."

It also

Resolved, That we will discountenance the importation and use in our families of every species of foreign manufacture or production which can or may be reasonably substituted by the fabrics or productions of the United States.

These are rather amusing sentiments when read with the recollections of the "useless extravagance" and "ostentatious equipages" of Tweed, Connolly, and other satchmen of Tammany fresh in our minds. Yet it will show that the leaders of the New York democracy were at one time in favor of the encouragement of American industry, even to the extent of avoiding the use of all foreign manufactures.

I might add sentiments to the same effect, of statesmen of later times, such as Clay, Webster, Niles, Benton, Van Buren, Carey, Baird, and the late democratic candidate for president, Horace Greeley, but time will not allow.

I have read these extracts to show that in the earlier and better days of the Republic its leading statesmen were unreservedly in favor of the doctrine of protection to American manufactures, and that among them Jefferson was even in favor of actual prohibition.

The theory that a protective tariff is "spoliation" and "robbery" is of more modern origin.

Southern statesmen could not but see that under the higher duties of the tariff of 1824 the Northern States were increasing their wealth and prosperity, arising from the preference given to them in the home market by that tariff, and that the diversified industries encouraged thereby were rapidly diffusing an enlarged prosperity among all classes of northern people.

Confining themselves to the cultivation of four staples only, cotton, rice, sugar, and tobacco, and depending much on a foreign market for the first-named, their industrial progress was not so rapid as that of their enterprising northern neighbors, and they imbibed the idea, which was encouraged by their statesmen, that the tariff, while enriching the North, was impoverishing them.

Hence arose the tariff agitation of 1832-'33, which ended in a compromise tariff of a descending grade of duties which ran down to the low figure of about 20 per cent. in 1842. It had in the mean time done its pernicious work, for it had let in a flood of foreign goods and shut up our manufactures and workshops and given the control of our market to the operatives of Europe. Cheaper labor and cheaper and more abundant foreign capital were too potent to be resisted by the dearer labor and scantier capital of our country.

Here were visibly and painfully shown the evils arising from the abandonment of the Jeffersonian and Jacksonian doctrines of protection.

A whig Congress, however, in 1842, by a more protective tariff, snatched the country from the brink of ruin. It was framed on the principles enunciated by the fathers, and as if by magic wrought a wonderful change. It opened the cotton and woolen manufactories, it lighted the fires in the furnaces and forges, it gave to the farmer a better market for his produce, and in a short time by internal competition it lowered the prices of textile fabrics and of iron far below those which had been imposed on us when English manufacturers had obtained control of our market.

So beneficial was it, and so encouraging to our industries, and withal so popular, that when the presidential campaign of 1844 was in progress the democratic party availed themselves of its popularity and emblazoned on their banners the hypocritical political war cry of "Polk, Dallas, and the tariff of 1842." They knew it was acceptable to the masses, and claimed for their candidate Polk that he was "a better tariff man than Henry Clay."

Having by that sign conquered, they were not long in throwing off the mask, and with it renouncing the old-fashioned patriotic American doctrines of protection to our people, and signalized their hypocrisy in the Walker tariff of 1846, reducing the average rates of duty about 25 per cent., or, according to the statement of the gentleman from Illinois, [Mr. MORRISON,] from an average of 32½ per cent. to 24 per cent. Not content with the prostration this reduction caused, in 1857 they reduced it to an average of about 19 per cent., at which figure it substantially remained until the advent of a republican administration in 1861.

These free-trade tariffs in the mean time had done their perfect work. They had prostrated business, closed manufactories, discharged workmen, embarrassed the Government, and occasioned general distress. So low had they run the revenues of the Government that the closing months of James Buchanan's administration revealed an empty Treasury, and a credit so bad that his Secretary of the Treasury could not obtain the trifling loan of \$10,000,000 on better terms than \$90 for a hundred-dollar bond.

Democratic free trade and low duties had brought us down to that humiliating condition, and although the national debt was but \$90,000,000, our credit was 10 per cent. below par. To-day, with a debt of \$2,103,000,000, the credit of the nation, under republican management, is 22 per cent. above par, and its bonds eagerly sought in all the money markets of the world.

Now, Mr. Speaker, having shown that the best men of the early days of the Republic strongly favored the protective policy, and that a departure from it in the low tariffs of democratic administrations

brought on national distress, I desire to say a few words explanatory of the operation of a protective tariff. By the word "protection" I do not mean that the goods of foreign nations should be entirely excluded from our ports, but I mean that such duties should be laid upon imports as will put our people, who pay high rates of interest and high wages, on an equality with those nations where money is plenty, interest cheap, and wages low. It is a well-known fact that interest in this country averages from 6 to 7 per cent. per annum, while in France and England 3 to 4 per cent. is considered a fair return for the use of money. Thus, in the first place, the European manufacturer can hire twice as much money by the year as the American operator can for an equal amount of interest.

As to the wages of labor, the English manufacturer has a similar advantage over the American.

From that excellent and carefully prepared work recently published by Mr. Edward Young, chief of the Bureau of Statistics, entitled *Labor in Europe and America*, I obtain the following statement of weekly wages paid to similar classes of operatives in England and the United States:

*Statement of weekly wages in rolling-mills, 1874.*

Workmen.	Pennsylvania.	Middleborough, England.
Puddlers .....	\$21 15	\$10 50
Top and bottom rollers .....	27 50	6 05
Rail-mill rollers .....	40 00	21 05
Merchant-mill rollers .....	36 83	12 10
Machinists .....	15 56	8 59
Engineers .....	15 24	8 47
Laborers .....	8 58	4 65
Blacksmiths .....	13 43	6 06
Iron-molders .....	14 00	6 77
Pattern-makers .....	14 69	7 01

*Statement of weekly wages in ship-building, 1874.*

Workmen.	Cramp & Sons, Philadelphia.	John Elder & Co., Glasgow, Scotland.
Machinists, best .....	\$18 00	\$7 50
Machinists, ordinary .....	15 00	6 70
Pattern-makers .....	16 50	7 72
Engine-fitters .....	16 00	6 82
Blacksmiths .....	16 50	7 26
Riveters and calkers .....	13 50	7 00
Fitters .....	17 00	7 18
Laborers .....	9 00	4 10
Carters .....	10 00	5 22

*Statement of weekly wages in cotton works.*

Workmen.	Pennsylvania.	Manchester, England.
Carding:		
Overseer .....	\$15 25	\$10 89
Drawing-frame tenders .....	4 20	2 66
Speeder tenders .....	4 72	2 14
Grinders .....	7 25	5 32
Strippers .....	7 92	5 32
Spinning:		
Overseer .....	15 25	14 52

*Statement of weekly wages in woolen mills.*

Workmen.	General average of the woolen mills of the United States.	Dewsbury, England.
Wool-sorters .....	\$10 94	\$6 29
Wool-washers .....	8 21	4 36
Dyers .....	10 50	7 08
Spinners .....	8 85	5 08
Warpers and beamers .....	8 81	5 08
Weavers .....	7 41	4 84
Barbers .....	4 98	3 96
Dressers, or giggers .....	8 11	4 84
Press-tenders .....	8 91	5 32

The proportion is much the same in all other classes of mechanical industry.

From this it will be seen that the American manufacturer pays about 100 per cent. more for the use of capital and the hire of labor than the English manufacturer does. In some of the continental cities the wages are much lower.

It would be in vain for the American manufacturer to strive against such odds without some protection, and if free trade should prevail, our manufactories would close, our workmen be turned adrift to enter into competition with the farmer, and our country would be impoverished to pay for the commodities imported from abroad.

The earlier statesmen of the Republic understood and appreciated all this, and hence it was that they advocated protective tariffs, and even went so far as to suggest a prohibition to the importation of those articles which we can manufacture at home.

To place our people, therefore, at a less disadvantage than they would be under free trade, it has been the policy of the Government under patriotic administrations, while laying a tariff from which to derive revenue, so to adjust it as to give to our manufacturers a fair and equal chance (and they have never asked more) with foreign manufacturers, the difference in the hire of capital and labor being considered. Such a tariff is due from the Government to the citizen as fully as allegiance and service are due from the citizen to the Government, and yet it has not been fixed at as high figures as the case might warrant; for while American labor and capital are twice as dear as European labor and capital, our duties have only ranged from 20 to 50 per cent. on those articles of imported manufacture which compete with us and which we might as readily manufacture here. To make up the difference against us, we have had to rely on the superior skill and ingenuity of our workmen and improved machinery, and this difference has been a great spur to our inventive faculties.

The gentleman from Illinois [Mr. MORRISON] says:

Conceding the right of labor to its earnings and the right of property, it is difficult to see how the freedom of exchange of either, how the right of the citizen to buy, sell, and exchange may be interfered with and taxed in the interest of and for the protection of other and more favored classes of citizens.

Protection, therefore, other than that incidental to revenue, is spoliation, because it takes the earnings of labor of one person or class of persons and gives these earnings to other persons or more favored classes.

He also says, as I have stated before:

That the cost of all domestic products is therefore increased by the imposition of tariff taxes on foreign imports.

These three sentences contain the whole shibboleth of modern democracy, which declares therefore that—

First. Free trade is right and proper for this country;

Second. That a tariff should be laid for revenue only; and

Third. That protection is spoliation, meaning robbery, of the consumer of protected manufactured articles for the benefit of the manufacturer, and that the cost of all domestic products is enhanced by a duty on imports.

In all these propositions the old-time democracy, such as Jefferson, Madison, Monroe, and Jackson were so unfortunate as to differ with the new-light democracy, for they saw the necessity of protection for the sake of protection, and advocated it in their messages and other writings, as I have already shown.

The gentleman from Illinois, [Mr. MORRISON,] in order to show the value of free trade in England, quotes with commendation from Noble's History of Fiscal Legislation, as follows:

It has been shown upon unquestionable evidence that the policy of free trade, which it was confidently predicted would ruin agriculture, annihilate rent, destroy manufactures, pauperize labor, and render impossible the collection of the national revenue, has rendered agriculture prosperous, largely augmented rent, vastly extended manufactures and employment, increased the wages of labor, and while securing the collection of an increased revenue, has by improving the value of property lessened the burdens of taxation.

If all this be true under the free-trade policy of England, then her people ought to be better off than the spoliated and robbed people of the United States. A nation's true prosperity is best shown in the condition of the masses, in the equal diffusion of wealth, and not in the poverty of the many and the aggrandizement of the few.

If we then compare the situation of the great body of the people in Great Britain and in the United States, we do not find the condition of things as roseate as Mr. Noble states. Let us see. Peel's system of free trade began in 1842 or 1843; it was enlarged gradually by taking off duties from time to time until it reached its present status about 1860, leaving only about twenty-six kinds of articles dutiable.

In 1860 the number of paupers in England was 851,000, in 1865 it was 971,433, in 1871 it was 1,081,926, thus increasing during all that period of free trade. It has since decreased somewhat.

The population of free trade England and Wales in 1871 was, as is set down in Whitaker's Almanac, 22,712,266 and the paupers at the figures I have just stated, being 1 pauper to every 21 persons, or nearly 5 per cent. of the whole population; and which are supported by the English nation at a cost of about \$75 per head, or \$51,000,000.

On the other hand, the late census of 1870 shows that in protectionist United States the population was 38,558,371 and the paupers for that year were only 116,102, or one in every 332 persons or three-tenths of 1 per cent. of the whole, and supported at an annual expense of \$10,930,429, being about \$34 per head, or fifteen times as many paupers in England in proportion to the population as there are in the United States, and what is more remarkable is that the most of these English paupers are to be found in the unprotected manufacturing counties.

Hence it is, unfortunately too true, as admitted by the gentleman from Illinois [Mr. MORRISON] in his speech, that "the consuming power of the masses of Great Britain is small compared to that of the people of our country, and it must be remembered that it is the multitude who pay tariff taxes, not the few who own property." Yet, small as is the consuming power of the masses of Great Britain, they paid "tariff taxes" to the amount of \$100,000,000 and internal taxes collected by paying officials to the amount of \$230,000,000 and other taxes besides, aggregating in all \$330,000,000, during their last fiscal year.

The internal tax that the laboring poor of England paid last year for malt and spirituous liquors was \$110,000,000, leaving out the various kinds of liquors imported and mostly used by the higher classes, which amounted to \$35,000,000 more, while on tobacco and snuff they paid \$37,000,000. In the United States the whole income on spirituous and fermented liquors and tobacco amounted only to \$38,000,000.

The annual expenditure to keep up the free-trade institutions of England is about \$17 per head, including paupers, while the annual expenditure of protectionist United States is only about \$5.25 per head.

England's free trade has laid her open to the manufactures of the world. France protects her own industry by stringent protective tariffs, as was ably shown a few days ago by my colleague from Philadelphia, [Mr. KELLEY,] and in 1873 she imported from England \$85,000,000 of commodities and exported to England \$215,000,000 worth of her productions, making a heavy balance of trade against her free-trade neighbor.

It was by her enlightened protective policy that France was enabled to pay the great fine of \$1,000,000,000 imposed on her by Germany, for her exports had made her a creditor nation and she paid the greater part of the fine by drafts on England, Holland, Belgium, and even on Germany herself, and had to pay in hard cash only about \$100,000,000 of her amercement.

These comparisons show very clearly the superiority of a protective over a free-trade policy.

The second proposition of the gentleman from Illinois is that tariffs should be laid for revenue only, and that there should be no protection except that which is incidental, in other words, accidental.

By this is meant that the Government should take care of itself and the people should take care of themselves; that a tariff of duties should be laid that will raise the most revenue in the easiest way; and if by any accident such a tariff should protect and encourage any branch of American industry it would be all very well, but if it did not, then so much the worse for that branch of industry.

In this policy, which is the policy of the modern democracy, there is no thought, no care for the interests of the laboring masses. They may struggle as best they can against the cheaper capital and labor of foreign countries, and if they support themselves in the competition it will be against the policy of the party, and not because of any protecting care.

If, however, by superior skill and ingenuity and the introduction of labor-saving machinery, they are able to sustain themselves and establish a business and become prosperous, the democratic cry goes up that they are monopolists and getting rich too fast, and that the duties on the articles they manufacture are a tax on the people, and that they must come down, and if that party be in power they are reduced accordingly, and the industry thus accidentally encouraged is destroyed.

But the main shibboleth of the modern democracy is that protection is "spoliation" or robbery of the consumer of protected manufactures, and that the cost of all domestic products is enhanced by a duty on imports. They contend that protection takes their property from one portion of the people and gives it to a more favored class.

It is a doctrine of comparatively modern origin, and as often as enunciated has been as often proved untrue.

It is a plausible assertion that the duty on an imported article is necessarily added to the cost, and therefore must be ultimately paid by the consumer. In making this assertion the advocate of free trade has an advantage, because to minds not conversant with the effect of competition at home in the manufacture of such commodities it may seem to be true.

It may happen to be true, but not always, in those cases where we do not produce or manufacture imported articles, that the consumer will have to pay the duty.

Even in those cases the foreign producer may have to pay the duty or lower his prices to an equivalent thereof in order to get his commodities into our market.

If it be true that a duty on such commodities has to be paid by the consumer, then the converse of the proposition ought to be true, that making such articles duty free gives the consumer the benefit of the amount of duty taken off by lowering the price that amount. Such, however, is not the case; for when we recently made coffee and tea duty free the price of each remained very nearly what it was before.

The Secretary of the Treasury in his last annual report, in speaking of the repeal of the duties on tea and coffee, says:

In his last annual report the Secretary expressed the opinion that the act admitting these articles to free entry had been without advantage to consumers in this country, but that the duty repealed had been added to the cost abroad. The repeal of the duty has been followed by increase of export duty in the countries of production, and this increase is paid by the consumer.

The late Commissioner Wells has shown that in England a decrease of the duty on tea brought no corresponding benefit to the consumer



in reduction of price. Thus tea, under the British tariff, had its duty decreased 77 per cent. from between 1849 and 1866, yet the price increased 50 per cent. The explanation is that, there being practically but one tea-producing country, the trade was a monopoly, and the decrease of the duty was followed by an increase of price by the producer. Hence no benefit to the consumer.

Still less is it true that in the case of imported commodities, such as we can manufacture here, the consumer pays the duty.

Whenever by a judicious tariff a duty is laid upon cotton, silk, wool, or iron manufactures imported sufficiently high to enable the home manufacturer to compete with the foreign manufacturer, then the consumer gets the benefit of the competition. When there is no competition at home with the foreign manufacturer, he puts what price he pleases on his articles and we have to pay that price with the duty added or go without the article. But when protection sufficient is given to our home manufacturers to embark their capital in any line of commodities made abroad, then there is competition between the home manufacturers and the foreign ones, and between the home manufacturers themselves. This duplicated competition evolves the invention of labor-saving machinery and the introduction of labor-saving processes, and by these means the cost of production is brought down to the lowest figure, to the great advantage of the consumer. The foreign manufacturer, if he introduces his wares into this country, has to sell them here at the price at which our own people can sell them, and can therefore only get for them such a price as with the duty added will be equivalent to the price in our market. He therefore may have to sell them at a figure that will afford him little or no profit at all, and hence the duty paid will really come out of his profits, and not be paid by the consumer.

There is no class of business men more keenly alive to their interests than the managers of railroads. They desire to buy their rails at the lowest figures possible, and yet it is but four or five years ago that ninety managers of railroads, lying all over the country from Boston to Saint Louis, presented their petition to Congress asking for a duty of \$44.80 per ton on steel rails. Among other things they said:

Immediately before the construction of the first steel-rail manufactory in this country, foreign makers charged \$150 per ton (equal then to \$225 in currency) for steel rails. An American works were built, foreign skilled labor introduced, home labor instructed, and domestic iron, clay, gas, and spiegel (after many and expensive trials) found to produce excellent rails, the price of the foreign article was gradually lowered, until now (1870) it stands at less than \$79 per ton in gold, or \$96.38 in currency.

They are now about \$60 in currency, and iron rails that were then worth \$75 to \$90 are now worth only \$42 to \$45 in currency.

The memorial continues:

Now that several millions of dollars have been expended in machinery, furnaces, and experiments in perfecting the process of manufacture in this country, and numbers of our citizens are dependent upon it for support, the business is threatened with annihilation by the pressure of English and Prussian makers. We, as users of steel rails and transporters of the food and material for American manufacturers and their numerous employes and skilled laborers, do not desire to be dependent exclusively upon the foreign supply, and therefore join in asking that instead of the present *ad valorem* duty a specific duty of two cents per pound be placed upon this article.

Congress considered their petition and placed a duty of 1½ cents per pound on steel rails with the effect on prices already stated.

The effect of protection on the production of steel rails has been marvelous. In 1867 we only manufactured 2,550 tons; 1868, 7,225 tons; in 1869, 9,650 tons; in 1870, 34,000 tons; in 1871, 38,250 tons; in 1872, 94,070 tons; in 1873, 129,015 tons; in 1874, 144,944 tons; in 1875, 290,863 tons, and we have now emancipated ourselves from dependence on England for a supply.

To show still further the beneficial effects of a protective tariff in the reduction of duties on all kinds of steel, I read from the "Protest of the American Iron and Steel Association" against the reduction in duties proposed by the bill of the gentleman from Illinois, submitted to the Committee of Ways and Means of the House on the 23th of March last. That protest, among other things, says—

That the proposed reduction of the duties on iron and steel would have the effect of increasing the importation of these commodities, and still further depressing the domestic iron trade, we have not the slightest doubt. A concession to the foreign producer of \$2 a ton on pig iron, \$10 to \$15 a ton on rolled iron, \$5.68 a ton on iron rails, \$13 a ton on steel rails, and from \$11.40 to \$24.64 a ton on steel would certainly operate as a most powerful incentive to induce him to increase his shipments to this country. It is no secret that the English iron trade is just now in a condition of prostration equaling that of our own. The cause of the prostration in this country is largely owing, as has been said, to the overstocking of our markets a few years ago with English iron; the cause of the prostration abroad is owing to the low prices in this country since the panic, which have prevented English iron-masters from continuing their shipments to this side. Now to reduce duties, as is proposed, would be a precious boon to our great rival.

We beg to call your attention to some of the benefits which the country has derived from the duties which it is now proposed to reduce. Before the first steel-rail manufactory was established in this country, in 1867, foreign makers charged our railway companies \$150 a ton in gold, and until American works were able to supply the home demand the price ranged above \$100. To-day the price of best quality American steel rails is \$60 in currency. Before the war, and before the period of inflated prices, the iron-rail mills of the country were unable to supply the home demand, and English makers charged our railway companies as high as \$50 a ton in gold for inferior rails; now our own mills are equal to any home demand that may be made upon them, and their best rails are offered at \$42 in currency. Before the manufacture of best crucible cast steel had obtained a start in this country, English steel cost our tool-manufacturers from \$50 to \$100 a ton more than it now does, and American steel of equal quality is now sold at even a lower price than the English, and has almost driven it from the market. Two years ago a delegation representing English steel manufacturers presented in this committee-room an appeal for lower duties. At that time English steel of best quality was selling at Boston at 17 to 18 cents a pound in gold, and American steel of same quality at 15 to 15½ cents in gold. A year ago the duties on steel were increased 10 per cent., and to-day English steel is quoted at Boston at 14 to 14½ cents a pound in gold and American steel at 14 to 15 cents in currency. The duty on steel has therefore reduced the price of both the English and the American product to the American consumer, who ought to be and doubtless is now satisfied that his true friends are the American steel-manufacturers.

Permit us also to remark that, without the stimulus afforded by the present duties on iron and steel rails, this country could not have been able to supply the demand of its own railways. Capitalists would not have invested the large sums necessary to erect rolling-mills and converting establishments if the Government had withheld its encouragement. The railway companies would, therefore, without protective duties, have been at the mercy of the foreign makers before the panic, when the railway excitement in this country was at its height, and without those duties they would be at their mercy to-day.

That protest was unheeded and the result was the free-trade tariff bill of that committee.

The great extent of the iron and steel industry of the nation, which was in foreign times almost monopolized by foreign producers, is well shown by the valuable tables issued May 31, 1876, by the American Iron and Steel Association.

#### Statistics of pig-iron production.

PRODUCTION OF PIG-IRON (ALL KINDS) IN 1872, 1873, 1874, AND 1875, BY STATES.

States.	Number of completed stacks Dec. 31, 1872.	Number of completed stacks Dec. 31, 1873.	Number of completed stacks Dec. 31, 1874.	Number of completed stacks Dec. 31, 1875.	Number of stacks in blast Dec. 31, 1872.	Number of stacks out of blast Dec. 31, 1872.	Make of pig-iron in 1872, net tons.	Make of pig-iron in 1873, net tons.	Make of pig-iron in 1874, net tons.	Make of pig-iron in 1875, net tons.
Maine.....	1	1	1	1	1	1	780	1,661	2,046	
Vermont.....	2	2	2	2	2	2	2,000	3,100	3,450	
Massachusetts.....	6	6	6	4	2	2	17,070	21,136	27,991	21,255
Connecticut.....	10	10	10	5	5	5	22,700	26,977	14,518	10,800
New York.....	53	58	57	26	31	31	291,125	306,818	326,721	266,431
New Jersey.....	16	17	18	6	12	12	103,858	102,341	90,159	64,009
Pennsylvania.....	262	266	278	118	160	160	1,401,497	1,399,573	1,213,133	960,854
Maryland.....	22	23	24	7	17	17	63,034	55,966	54,536	38,741
Virginia.....	35	33	34	8	36	36	31,445	28,473	32,451	29,225
North Carolina.....	8	8	8	8	8	8	1,073	1,432	1,310	800
Georgia.....	8	10	12	5	7	7	2,945	7,501	9,786	16,500
Alabama.....	11	14	14	6	8	8	12,512	22,283	22,863	25,108
Texas.....	1	1	1	1	1	1	619	280	1,012	
West Virginia.....	6	9	12	4	8	8	20,796	23,056	30,134	25,277
Kentucky.....	25	27	23	8	15	15	67,396	69,889	61,227	48,339
Tennessee.....	20	22	22	7	15	15	42,454	43,134	48,770	29,311
Ohio.....	88	93	100	54	46	46	399,743	406,029	425,091	415,831
Indiana.....	8	8	9	4	5	5	39,221	32,466	13,722	24,081
Illinois.....	10	10	12	9	9	9	78,627	55,796	37,946	41,762
Michigan.....	33	34	34	14	20	20	100,222	121,506	136,668	114,895
Wisconsin.....	13	14	14	6	8	8	65,036	74,148	50,792	62,150
Minnesota.....	1	1	1	1	1	1				
Missouri.....	18	19	19	6	13	13	101,158	85,552	75,817	59,717
Oregon.....	1	1	1	1	1	1			2,500	1,000
Utah.....	1	1	1	1	1	1			200	150
Total.....	657	693	713	293	420	420	2,854,538	2,868,278	2,689,413	2,266,561

## Production of all rolled iron in the United States in 1874 and 1875.

States.	Bar, angle, bolt, rod, and hoop iron.		Plate and sheet iron.		Cut nails and spikes.		Iron and steel rails, all sizes.		Total rolled iron.	
	1874.	1875.	1874.	1875.	1874.	1875.	1874.	1875.	1874.	1875.
	Net tons.	Net tons.	Net tons.	Net tons.	Net tons.	Net tons.	Net tons.	Net tons.	Net tons.	Net tons.
Maine.....	3,994	3,700				350	14,650	4,050	18,644	8,100
New Hampshire.....	300	1,000							300	1,000
Vermont.....							10,400	6,204	10,400	6,204
Massachusetts.....	40,394	40,336	6,562	13,365	28,819	27,590	24,765	18,391	100,500	99,719
Rhode Island.....	7,170	9,648			3,446	2,936			10,616	9,584
Connecticut.....	11,921	9,618							11,921	9,618
New York.....	76,590	90,583	4,000	4,063	5,949	4,063	46,979	82,960	133,518	181,086
New Jersey.....	24,645	24,584	3,256	3,614	27,643	26,110	3,537	941	58,081	55,249
Pennsylvania.....	343,632	300,784	120,098	116,997	75,151	65,913	259,288	255,136	798,169	738,830
Delaware.....	6,860	9,316	4,958	5,066					11,818	15,382
Maryland.....	8,455	6,379	12,428	9,789			43,008	30,619	68,891	46,687
Virginia.....	11,088	12,744			5,062	6,099			16,688	18,843
Georgia.....	1,406	3,360				465	8,061	6,500	9,467	10,325
Alabama.....	1,000	1,000							1,000	1,000
West Virginia.....	1,609	1,806		300	54,301	51,789		466	56,332	54,269
Kentucky.....	18,229	13,536	5,130	7,000	5,121	7,174	6,068	5,851	34,548	33,961
Tennessee.....	1,573	1,005	16,143	22,288	660	400	13,693	12,250	15,286	13,745
Ohio.....	94,413	93,890			97,953	99,638	82,561	91,775	299,370	287,581
Indiana.....	7,376	11,465			7,514	9,299	20,617	23,309	35,507	44,673
Illinois.....	2,500	6,000	2,210	2,000	4,250	4,428	135,103	188,248	134,093	900,676
Michigan.....	4,307		1,553	3,450			9,448		6,908	3,450
Wisconsin.....	275	14,437					29,680	28,403	29,955	42,840
Missouri.....	10,870	10,144	1,500	4,000			24,017	17,396	36,387	31,540
Wyoming Territory.....								7,000		7,000
Kansas.....							2,000	5,000	2,000	5,000
California.....	9,205	6,121					7,616	8,073	16,221	14,194
Total.....	687,650	668,755	176,888	192,769	245,609	236,343	729,413	792,512	1,830,560	1,890,379

These tables exhibit one of our greatest and most valuable industries, giving employment and maintenance to hundreds of thousands of workmen, and affording a home market to the farmer for the surplus products of his farm.

It shows that Illinois, the chairman's own State, is the second State in importance in the iron and steel rail manufacture, and while Pennsylvania, the first, fell back in her production from 259,288 tons in 1874 to 255,136 tons in 1875, Illinois advanced from 125,103 tons in 1874 to 188,248 in 1875, and yet the bill of the gentleman from Illinois would inflict a severe injury on the rapidly-growing development of one of the best interests of his State, cutting down the duty of \$28 per ton on steel rails to \$15 per ton, and on rails made partly of steel from \$22.40 per ton to \$15 per ton, which wholesale reduction would crush out the rail-making interest in his State that is so happily progressing now, and throw out of employment thousands of its citizens.

But it is not the iron interest alone that is benefited by the protective policy; all other interests feel its beneficent results.

Take the woolen manufacture, for instance. In that excellent pamphlet by David H. Mason, entitled *How Western Farmers are Benefited by Protection*, I find the following table, showing the advance of the woolen business in the last twenty years. It is compiled from the census reports, and therefore is accurate:

	1870.	1880.	1890.
Number of woolen mills.....	2,891	1,260	1,559
Sets of cards.....	8,366	3,209	
Hands employed.....	80,053	42,728	27,682
Capital invested.....	\$28,824,531	\$30,862,654	\$28,118,650
Wages paid.....	\$26,877,575	\$9,610,254	
Wool consumed.....pounds..	172,078,919	81,088,468	70,892,829
Value of products.....	\$153,405,335	\$61,894,986	\$43,297,545
Domestic wool crop.....pounds..	100,102,387	60,264,913	

This is an extraordinary development, and, although the manufacturers paid twice as much for wool and wages in 1874 as they did in 1860, yet they were enabled by improved machinery and processes to sell their products cheaper in the latter than in the former year.

It is true that before we started mousseline-de-laine-mills the imported article sold at 50 cents a yard, but when in 1856 we commenced to compete with the English manufacturers the price came down to 25 cents a yard, and now, under the existing tariff, as appears by the latest quotations in New York, (June 7, 1876,) the price has come down to figures ranging from 22 cents to 11 cents per yard, according to style and quality. Alpaca has receded from 75 cents in 1857 to 25 cents, and woolen cloths that cost \$1.25 in that year can now be had for 75 cents to 60 cents per yard.

In these operations, while the protected manufacturer made his reasonable profit, the consumer was advantaged by the great reduction in price, and thus a protective tariff benefited both producer and consumer.

Similar progress and similar benefits have also arisen from protection to cotton manufactures.

From the census tables I am able to glean the onward progress of the cotton business for the last forty-five years.

As the earlier census returns were not very minute, they are not so full of details as the later ones.

I find the results as follows:

	1830.	1840.	1850.	1860.	1870.
Looms.....	33,506			129,313	157,310
Spindles.....	1,246,303	2,284,631	3,653,693	5,235,727	7,132,415
Hands employed.....	87,600	72,119	92,286	122,028	135,363
Capital employed.....	\$44,914,984	\$51,102,350	\$74,500,931	\$98,585,969	\$140,704,291
Wages paid.....	12,155,723			23,940,108	39,044,132
Value of materials used.....			37,778,014	57,285,534	111,736,936
Value of products.....	22,036,700	46,350,453	65,501,697	115,861,774	177,489,739
Value per hand.....			668	948	1,310

This table exhibits a marvelously rapid progress, which was followed by a gradual reduction of prices until the war, when a decreased supply of the raw material, an inflated currency, and an abnormal demand raised the cost and price of cotton goods, which, however, are now receding to their *ante-bellum* condition.

To reduce that industry would be to turn many operatives out of employment, the majority of whom are women and children, dependent upon it for their maintenance.

It is a well-remembered fact that the tariff of 1842 enabled cotton manufacturers to sell their shirtings at a figure as low and in some cases lower than the duty. Horace Greeley relates, in his *Political Economy*, that Henry Clay, in his Raleigh speech on the 17th of June, 1844, pleasantly exposed the fallacy of the free-trade assumption that the price of the article is enhanced by the amount of the duty thereon, by citing the discomfiture of a democratic canvasser before an election, who, seeing a poorly-dressed hearer in front of him, stopped the regular flow of his eloquence long enough to ask him, "My friend, do you know that these tariff monopolists make you pay six cents a yard more than you should for that shirt you have on?" "I suppose it must be so, since you say so," responded the surprised and scared auditor, "but I have no learning, and don't quite understand it, since I only paid five and a half cents a yard for it."

It was a practical answer to a free-trade fallacy.

It is insisted by the free-traders that a protective tariff takes away from the farmer a foreign market for his surplus produce; because, as he argues, if imports are excluded in any degree, the ability of the foreigner to purchase his produce is proportionately limited. But such is not the case. Foreign countries must have bread, and they will buy bread-stuffs wherever they can obtain them on the best terms. That our protective tariff has not diminished, but has actually increased exports of agricultural products, is a historical fact, as is shown from the table which I have taken from the bulletin of the Iron and Steel Association of May 10, 1875. It is as follows:

Coming now to our agricultural exports, we find by reference to elaborate tables prepared by Mr. David H. Mason from the commerce and navigation reports of the General Government, that they have been greater under the present protective policy than under the previous policy of partial free trade. Without entering into needless details, we compile from Mr. Mason's tables a statement of the exports of three leading agricultural staples, wheat, wheat flour, and Indian corn, in thirteen years under partial free trade and in thirteen years under protection.



*Agricultural exports in twenty-six years.*

## LOW-DUTY PERIOD.

Fiscal years.	Bushels of wheat.	Barrels of flour.	Bushels of corn.
1849	1,537,534	2,108,013	13,257,309
1850	608,661	1,385,448	6,595,092
1851	1,090,785	2,202,335	3,426,811
1852	2,694,540	2,799,339	2,627,075
1853	3,890,141	2,920,918	2,274,909
1854	8,036,665	4,022,386	7,768,816
1855	798,894	1,804,540	7,807,585
1856	8,154,677	3,510,686	10,228,280
1857	14,570,331	3,712,053	7,505,318
1858	8,926,196	3,512,169	4,766,145
1859	3,002,016	2,431,824	1,719,998
1860	4,155,153	2,611,596	3,314,155
1861	31,238,057	4,323,756	10,678,244
Totals	88,629,780	36,745,003	82,033,737
Annual average	6,817,676	2,826,539	6,310,287

## PROTECTIVE PERIOD.

Fiscal years.	Bushels of wheat.	Barrels of flour.	Bushels of corn.
1862	37,229,573	4,822,033	18,904,898
1863	36,160,414	4,390,055	16,119,476
1864	23,681,713	3,557,347	4,096,684
1865	9,937,152	2,604,542	2,812,726
1866	5,579,103	2,183,050	13,516,651
1867	6,146,411	1,300,106	14,889,823
1868	15,940,899	2,076,423	11,147,490
1869	17,857,838	2,431,873	7,947,197
1870	30,584,115	3,463,333	1,392,115
1871	34,304,906	3,633,841	2,286,369
1872	26,423,080	2,514,535	34,491,650
1873	39,304,285	2,562,086	38,541,930
1874	71,039,928	4,094,094	34,454,606
Totals	359,849,413	39,713,318	267,321,555
Annual average	27,680,724	3,054,871	15,940,120

This is a significant table and worthy of consideration by every farmer.

It is also insisted that he is injured by it, because according to free-trade logic the consumer always pays the duty. We formerly imported our axes at \$15 the dozen, but to-day the Beattys of Chester, in my district, can undersell the foreign article at a much reduced price.

Before shovels were made in this country we paid \$2 a piece for the foreign article, but the Ames manufactory can now afford them at seventy-five cents, and competes with the British manufacturer in the markets of the world.

By the decline in the price of iron and steel, the plow with which the farmer prepares his ground for seed, the wheat-drill with which he commits it to the ground, the reaper with which he cuts it, are all afforded him at reduced rates, and the cheapened steel or iron rails enable him to send his grain to market and sell it at a profit. It was but recently that western farmers had to spend a bushel of wheat to get another bushel to market, but now because of cheaper rail transportation they can send their grain to Liverpool at less cost than they formerly paid to send it to their county town. It is the railway, the offering of protection, that brings the market to the farmer's door and pays him cash for his surplus produce. It is his best interest to have manufactories established at home to provide consumers for his broadstuffs, especially as India has lately entered the European market with her grain and will soon be a formidable competitor with the American agriculturist.

Locomotives and railroad cars, which we once imported, we now sell abroad, and in 1874 we sent one thousand and eighty-three to different countries, some to Mexico and South America, and some in competition with Great Britain in her provinces of Nova Scotia, New Brunswick, and Canada.

Mr. Dieston, of Philadelphia, sends his saws to Sheffield in competition with the English manufacturer at his own home, and the New England mills send their cottons to Leeds and Manchester.

Even to the British colonies in the antipodes we export our commodities, and American furniture is regularly quoted in the price-current of the Melbourne Argus, a copy of which I lately received.

Thus it is that a protective tariff benefits all classes of citizens. The establishment of an iron, woolen, cotton, or any other manufactory gives employment at once to a large number of hands at remunerative wages. It enables the employes to obtain more of the comforts and luxuries of life for themselves and families and makes them consumers as well as producers. Around the manufactory rises up a town of grocers, millers, tailors, shoemakers, and all others necessary to supply the wants of the employes of the manufactory, and as the town must be fed, it gives a market to the farmers for many miles around.

The village of Phoenixville, in my district, is an instance of the value of a protective tariff. It has its rail mill, its angle-iron mill, and its bridge manufactory, and the latter has so far improved its ma-

chinery and patterns that it was enabled to obtain a contract for a great bridge over the Saint Lawrence, in Canada, in competition with the best bridge builders of Her Majesty Queen Victoria; and I need hardly add that its seven thousand operatives have regularly bought largely of the produce of the adjacent farmers, and within a few late years have thus quadrupled the value of their lands.

The city of Chester, in the same district, is a still more remarkable instance of Jefferson's protective doctrine. It has its cotton, woolen, and iron mills and its ship-yard. From an obscure village in 1850 it has arisen, with its suburbs, to be a city of 15,000 people under the influence of a protective tariff.

By the protected labor of its skilled operatives its cottons and woolens now compete with those of European manufacturers successfully. Its iron mills supply its ship-yard, and that ship-yard, under the able management of the great ship builder, John Roach, sends forth the largest steamships that were ever launched on this continent, and builds and repairs national vessels of war better, cheaper, and quicker than it can be done in the navy-yards of the nation.

The lands of the county in which it is situated, could command, when it was a village only \$75 to \$100 per acre, but their selling price now has advanced to \$200 and up to \$500 per acre.

These afford an example to the Southern States from which they might learn a valuable lesson; for with their great abundance of water-power, of coal and iron, of good ports and cheap labor, there is no good reason why they should export their great staple, cotton, at twelve to fourteen cents a pound in the raw state and buy it back for consumption in a manufactured condition at a dollar. By placing the producer alongside of the consumer, they would retain for themselves all intermediate profits now paid to others and soon double and treble the value of their plantations.

Now, Mr. Speaker, it is also said by the gentleman from Illinois, as I before remarked, that a duty on imports adds to the price of all similar articles produced in this country. If that were true, the farmer cannot complain. He is protected on his beef and pork one cent per pound; on his hams and bacon, two cents per pound; on his cheese, four cents per pound; on his wheat, twenty cents per bushel; on his butter, four cents per pound; on his lard, two cents per pound; on his rye and barley, fifteen cents per bushel; on his Indian corn, ten cents per bushel; on his oats, ten cents per bushel, and on his potatoes, ten cents per bushel. If these articles are enhanced in price by the duty, as free-traders contend, then the farmers received in 1870 a bonus of nearly \$300,000,000 on the agricultural products they raised that year.

At any rate, they were protected from the importation of Canada oats and barley, Bermuda potatoes, and the cheap wheat from Asiatic countries which I spoke of before.

Free trade is a creature born of the Cobden Club and the Manchester school and cradled in great commercial cities. It starts in commercial emporiums and by its plausible statements obtains lodgment in country places.

The importing merchant upholds it, because the freer the foreign commerce the more does his business and his profits expand. New York is consequently a free-trade city, and her Representatives but support the views of their constituents when advocating it. She is a city with strong foreign propensities and feelings, with close communion with European marts and lands. Her population of 942,292 in 1870 had but 523,198 native-born; and of her whole population 769,558 have foreign-born fathers.

Cook County, of Illinois, including the great city of Chicago, the commercial metropolis of the Northwest, had a population in 1870 of 350,000. Of these 183,194 were natives and 166,772 foreign-born, and 268,063, or more than one-half, had foreign fathers and mothers. These descendants of foreigners of course had their sympathies with the old countries, and wanted trade as free as possible, and hence it is naturally to be expected that the Representatives of constituencies with free-trade proclivities should represent the views of their constituents.

In this connection let me say, Mr. Speaker, that the free-trade merchant is very inconsistent. To protect his commerce at home and abroad we have established a Navy; to allow his vessels unobstructed passage to our ports we improve our rivers and harbors; to point out their way in the darkness we erect light-houses on our coasts and along our rivers, and all this at an expense of nearly \$30,000,000 per annum.

He has also an absolute monopoly of the coasting trade, with which no foreigner can interfere, and yet I have never heard a free-trade merchant or his representative complain of these exclusive privileges maintained for him at such a vast expense, or ask that the foreign ship owner might be allowed to compete with him for that coasting trade or heard him denounce his monopoly as spoliation or robbery.

When, thus protected himself, he shall make such complaint it will be time enough for him to complain of others who are also protected by a wise governmental policy.

I have endeavored to show that the doctrines of the fathers of the democratic party were entirely protective, while those of modern democracy are of a free-trade character; that duties laid on imports do not necessarily enhance the price to the consumer, but tend to give him the same or a similar article at a lower figure than before the duty was laid; and that a duty does not in addition add to the price of all similar products of domestic origin.

The best evidence of the truth of the principles of the fathers and of the value of protection is made most obvious to every eye in the great exposition now open in Philadelphia. There the raw materials and finished productions of our country compare favorably, side by side, with those of all the rest of the world. There protected machinery of all kinds, from the ponderous Corliss engine, moving like an intelligence and which is the motive power of all the minor machines of machinery hall, down to the smallest tape and bobbin weaver, and the matured products of our cotton, woolen, silk, glass, iron, copper, and silver, manifest the wondrous skill and ingenuity of the American people, happily developed under the beneficent influence of protective tariffs.

I desire to say, before I close, a few words concerning the effect of a revenue tariff, such as the bill before the House proposes, upon the resumption of specie payments.

The Government owes over \$400,000,000 of depreciated currency. It has not provided for its payment. Every patriotic citizen wishes that it should pay that debt which it has promised to pay in gold. Congress has repeatedly pledged its faith that it should be done, and has at last fixed the time for such payment on January 1, 1879.

The bill of the committee would reduce the duties 30 to 50 per cent. below their present rates. In order, therefore, to obtain as much revenue as we now receive from the present tariff the importations would have to be increased accordingly, to make up the deficiency in revenue. But they are too great already. They have made us a debtor nation, and it is only within the last two years that our exports of commodities exceeded our imports. To adopt this bill would be to open the ports of our country to the sweepings of the manufacturing of the world, and to throw us back to the unfortunate situation from which we are slowly emerging. It would indefinitely postpone specie payments by the accumulation of balances against us abroad, and by producing a drain of our specie to settle those balances.

The evils that exist already from excess of importations are sufficiently great, as I have already shown in a speech I made in this House on the 19th of February last, and from which I now beg leave to quote a few remarks, but the bill under consideration would aggravate them immensely. I then said:

Beginning with the war of the rebellion in 1861 and concluding with the fiscal year ending in 1875, we find that we imported of foreign merchandise \$6,307,800,000, and of foreign specie \$286,500,000, amounting in all to \$6,494,300,000. To settle this indebtedness we exported of our own domestic merchandise only \$4,817,700,000, and of foreign merchandise, \$231,400,000. These sums did not balance accounts between us and foreign nations, and we added to them of our own specie \$959,100,000, and of foreign specie \$122,100,000; amounting in all to \$6,130,300,000, leaving us still short \$364,000,000 on the custom-house books.

As the amount of gold in the country in 1860 was estimated at \$275,000,000, in 861 at \$250,000,000, and is now estimated by the Director of the Mint at only \$140,000,000, it is evident that in settling with foreign nations we paid them every dollar of the gold we raised from the mines, and drew on our reserved fund for \$135,000,000 more. This was only the balance of trade as shown by the custom-house books, and not the balance of accounts as shown on the great national ledger when we made our annual settlement with the outside world. To this again must be added at least 5 per cent. for undervaluations on the imports, making at least twenty-five to thirty million dollars per annum. In addition we may safely add \$5,000,000 for smuggled goods, for which we have to pay.

Before the war we carried three-fourths of our products to foreign countries in our own vessels and realized the freights thereon, which amounted to many millions; but now we have but one-third of the carrying trade of our own products, and hence have to pay to foreigners for carrying the remaining two-thirds of our commodities, which is another heavy item of our annual indebtedness, the amount of which I am unable to estimate. It is many millions.

To all these must be added the annual payment of \$100,000,000 or more of interest on national, railroad, State, and municipal bonds, which does not appear on the custom-house books, and with these matters operating against us more or less during the period mentioned, we can readily understand how the immense indebtedness abroad has originated, and appreciate the fact that we are a greatly indebted nation.

If we should examine the Treasury reports alone, which show a custom-house balance in our favor for the last two years, we might conclude we are a creditor nation, but when we take into the calculation those circumstances above mentioned, which never show on the custom-house ledgers, we cannot but conclude that we have still to provide for an annual deficit of perhaps \$100,000,000.

The facts and figures that I then gave are substantially the same to-day.

Instead, therefore, of increasing our importations and piling up a huge debt abroad, we should decrease them.

In the last half dozen years our imports were as follows:

Year.	Free.	Dutiable.
1869-'70	\$46,559,965	\$415,817,622
1870-'71	57,857,761	483,635,947
1871-'72	61,010,902	579,327,864
1872-'73	166,286,831	497,320,826
1873-'74	179,936,668	415,924,580
1874-'75	167,180,644	386,725,509

Immense amounts, for which we had to pay in gold or its equivalent.

Of breadstuffs, cotton manufactures, earthenware, glass, iron and steel, leather, tobacco and cigars, lumber, wool and woolen manufactures, and other articles, we annually import nearly two hundred million dollars' worth, which we could manufacture as well in our own country. We should so adjust our tariff as to give the market to the home producer and manufacturer of those articles, and increased duties, properly adjusted, and a reduction of expenses in the national Government, would supply the place of any diminution of revenue that might ensue from diminished importations.

By so doing we will keep our gold and silver among our own people and accumulate a fund sufficient in a short time to enable the Government and the banks to resume specie payments. If, on the other hand, we enact this bill into a law, our importations will immediately increase, our debt abroad will increase, all our gold and silver will be exported in payment of our debts, and its insufficiency will have to be supplied by an increased bonded indebtedness that will be an additional annual drain on us in payment of the interest and will eventually drive us into national bankruptcy.

While this state of affairs takes place in our foreign commerce, our internal affairs will become sadly deranged.

The cheaper labor and capital of Europe will enable the low-priced goods of foreign manufacturers to be thrown unchecked on our shores; our mills and manufactories will be closed or only drag out a sickly existence; their demand for coal will be so lessened that some collieries will have to be abandoned and the miners thrown out of employment; the tonnage on railroads will fall off and their ability to pay the interest on their bonded debt be so diminished as to drive some of them into bankruptcy; workmen of all classes will be driven from their homes to find employment in other occupations; they will enter into competition with the farmer, who will have lost his best customers with the closing of the manufactories; the prices of agricultural produce will fall because of the failure of the demand made by those business establishments and because of the competition with him produced by such failure; the whole frame-work of society will be disturbed, and, instead of prosperity and contentment, poverty and discontent will pervade the land.

This is no fancy picture. It is what has occurred to a greater or less degree heretofore under our low tariffs, and will occur again if the bill of the democratic committee should become a law.

That such a calamity may be averted must be the ardent desire of every well-wisher of his country's prosperity.

#### Silver Coin.

### SPEECH OF HON. JOHN H. BAKER,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

June 10, 1876,

On the joint resolution providing for the issue of silver coin.

Mr. BAKER, of Indiana. Mr. Speaker, the policy of this Government from the time of the administration of Washington to the second term of the present Executive has been steadily in the direction of recognizing the full legal-tender character of our silver coinage. It has been in the direction of a double system of coins, fabricated of silver and gold respectively, and each made a lawful tender in the payment of debts. On the 2d day of April, 1792, a bill entitled "An act establishing a mint and regulating the coins of the United States" passed into a law. This act met the approval of Alexander Hamilton, then Secretary of the Treasury, perhaps the greatest financial authority of his generation; and it received the most anxious and thoughtful consideration from the great statesmen of that day. In this act it was provided, in section 9, as follows:

Sec. 9. Dollars or units, each to be of the value of a Spanish milled dollar as the same is now current, are to be coined, and to contain 371 grains and 4-16 of a grain of pure, or 416 grains of standard, silver.

The amount of silver contained in the dollar or unit was fixed at the above quantity after careful inquiry and deliberation, and it remained as then fixed for the period of forty-five years. It is possible that the weight and fineness of the silver dollar as then established by law ought in consequence of the large and rapidly increasing production of silver bullion to be slightly changed. But clearly no great or radical change ought to be made either in the weight or fineness of our silver coinage.

The silver dollar authorized to be coined and issued pursuant to the above provision of law was made a full legal tender in payment of all public and private obligations. The sixteenth section of that act provided as follows:

Sec. 16. That all gold and silver coins which are struck and issued shall be a lawful tender in all payments whatsoever.

The full legal tenderability of the silver coinage in payment of all obligations whatsoever was then settled on what was believed to be sound financial principles, based upon profound and extensive research. That it was contemplated by the framers of the Constitution that silver coin should be a legal tender side by side with gold is made entirely manifest by the tenth section of article 1 of the Constitution. This section provides that "no State shall make anything but gold and silver coin a tender in payment of debts." While this provision of the Constitution only applies to the States, and does not forbid Congress to make anything except gold and silver coin a legal tender in payment of debts, still it seems manifest that it was contemplated by the fathers of the Republic who framed the Constitution that silver coins were to stand for all time as a full legal tender in the same manner and to the same extent as gold coins. Under this policy, for forty-five years in peace and war, the silver coinage re-



mained a full legal tender, not only without injury, but to the manifest advantage of the country. It was the money of the people. It was in common use in nearly all the minor transactions of business life. Possessing the same legal-tender quality as gold, there was no occasion for gold brokers, and the fell brood of brokers and bullionists who now prey upon the people was fortunately unknown.

The next legislation affecting the silver coinage was enacted on the 18th of January, 1837. It was during the great financial crises of that period. The amount of silver in the dollar or unit was reduced  $3\frac{1}{4}$  grains by that law. The obvious purpose of this reduction was to give relief to the debtor class; and perhaps for the further reason that it would, by cheapening the cost of producing silver coins and reducing the intrinsic value of the dollar or unit, naturally cause silver to flow into the country for coinage. That this law had this effect is abundantly established by the history of those times. The country evidently recovered from the financial crash which swept over it much sooner than it would if no steps had been taken to arrest the flow of the precious metals abroad. Not only did our silver remain at home, but large amounts of foreign silver coin found its way into the channels of commerce in the United States. The provisions of the act of January 18, 1837, on this subject are as follows:

SEC. 9. The silver dollar shall be of the weight of 412½ grains standard, to be nine hundred parts of pure metal and one hundred parts of alloy; and that dollars, half dollars, and quarter dollars, dimes, and half dimes, shall be legal tenders of payment, according to their nominal value, for any sums whatever."

SEC. 11. Coins of silver heretofore issued at the Mint shall continue to be a legal tender.

It will thus be seen that though the intrinsic value of the silver coinage as mere bullion was appreciably diminished by law, it was still maintained as a full legal tender. Nor was there any distinction in the legal tenderability of the fractional or subsidiary silver coins and the coined dollar? These fractional or subsidiary silver coins continued to be of the same fineness and relative weight as the dollar or unit. The fractional or subsidiary silver coins were first debased and partially demonetized by the act of February 21, 1853. Doubtless this debasement of the fractional silver coins was occasioned by the scarcity of small change and the demand of the public for more silver coins to carry on the business of the country. This legislation contains a valuable hint, in this, that it shows that the statesmen of that day recognized the duty of giving needed relief to the financial stringency at the risk of an expansion of the volume of the circulating medium. The same thing, as we have seen, had been done in 1837, and in neither case did any injurious consequences result to either business or credit. It is the part of wise statesmanship now, so far as safely can be done, to shape our legislation so as to retain, as far as practicable, in our own country the gold and silver bullion produced from our mines.

This act of 1853 provides in its first two sections, which alone relate to the subject under consideration, as follows:

SECTION 1. That from and after June 1, 1853, the weight of the half dollar or piece of fifty cents shall be 199 grains, and the quarter dollar, or piece of twenty-five cents, dime, and half dime shall be respectively one-half, one-fifth, and one-tenth of the weight of said half dollar.

SEC. 2. That the silver coins issued in conformity with the above section shall be legal tenders in payment of debts for all sums not exceeding \$5.

This is the entire legislation on the subject of silver coinage from the adoption of our present Constitution down to the act of February 12, 1873. This legislation establishes the following propositions:

First. That during the period of eighty-one years from April 2, 1792, to February 12, 1873, we had a silver dollar or unit which was made by law a full legal tender in payment of all debts, public and private.

Second. That during the first forty-five years of this period the dollar or unit contained 416 grains of standard silver.

Third. That during the great financial crisis of 1836-37 the Government reduced the weight of the dollar or unit to 412½ grains of standard silver, nine-tenths fine.

Fourth. That from April 2, 1792, to February 21, 1853, the fractional or subsidiary silver coins were fabricated from silver of the same fineness as the dollar, and of the same relative weight in proportion to their nominal value; and that the fractional silver coins during all this period were a legal tender the same as the coined silver dollar.

Fifth. That in 1853 the weight of the half dollar, which had been theretofore of the weight of 206½ grains of standard silver, nine-tenths fine, was reduced to 199 grains.

Thus a dollar in nominal value of the fractional or subsidiary silver coins under this law contained 28½ grains less of standard silver than the coined silver dollar. Hence the fractional or subsidiary silver coins are actually worth nearly 7 per cent. less than the silver-dollar coins. The wisdom and honesty of so largely debasing the fractional or subsidiary silver coinage are certainly questionable. Still, as long as such fractional coinage remains a legal tender to the amount of \$5, its debasement in intrinsic value does not essentially impair its utility as a circulating medium if the full legal-tender silver dollar is preserved. The people have long used this debased fractional or subsidiary silver coinage, have carried on the business of the country with it, have entered into innumerable commercial engagements, and no emergency has arisen which would seem to require at this time any change in the weight or fineness of the fractional or subsidiary silver coinage. I am, however, free to say that, in my judgment, the practice of debasing any portion of our silver coins is, as an original proposition, unjust and indefensible. It would be wise, it seems to me, in due

time to reverse the action of the Government taken in 1853 in this regard, and bring back the subsidiary coins to the same relative weight and fineness as the silver-dollar coin.

During all the time intervening between April 2, 1792, and February 12, 1873, the silver dollar or unit remained a legal tender in the payment of all public and private debts and obligations. It could be lawfully tendered to public as well as to private creditors. If there were wisdom and justice in creating the legal-tender silver coinage, or in its maintenance during the long period of eighty-one years and down to a very recent day, there would certainly seem to be neither wisdom nor justice in now substantially demonetizing it. I say substantially demonetizing the silver coinage, because when its legal tenderability is limited to payments in the sum of \$5 or under it can fulfill no function in commercial transactions, except that of mere small change. It loses the real function of money as medium for the purchase of commodities and the payment of debts—a function which has been maintained for our silver coinage by the wisdom of at least three successive generations of our countrymen. With industry prostrate, with an unparalleled stringency in the money market, with a public debt of enormous magnitude, and private and municipal debts of even greater proportions, and with gold, like the red arterial blood flowing in a ceaseless stream from the country, it seems to me that no man can vindicate the policy of even partially demonetizing the silver coinage. I do not therefore see the wisdom or even justice of the legislation of 1873, which struck out of existence the old legal-tender silver dollar or unit. It is true that no large amount of the full legal-tender dollars authorized to be coined by the foregoing laws was ever struck by the mint and put into circulation. But it cannot be doubted that if we had coined all of the silver dollars which could have been kept afloat by the business of the country, we should have suffered much less from the multiplication and consequent failures of unsound banks chartered by State authority. This act of 1873 is entitled "An act revising and amending the laws relative to the mints and assay offices and coinage of the United States." It destroyed the whole of our financial system so far as our silver coinage is concerned. It inaugurated a new scheme of silver coinage. It provides as follows:

SEC. 15. That the silver coins of the United States shall be a trade-dollar, a half dollar or a piece of fifty cents, a quarter of a dollar or a piece of twenty-five cents, and a dime or a piece of ten cents; the weight of the trade-dollar shall be 436 grains troy of standard silver; the weight of the half dollar shall be 199 grains, the quarter dollar 6 grains, the ten-cent piece shall be one-fifth the weight of the half dollar.

The gram is declared to be equal to 15.432 grains. The half dollar therefore weighs 185.184 grains, being 6.816 grains less in weight than the debased subsidiary coins authorized by the act of February 21, 1853. The policy of issuing a trade-dollar, which is not a legal tender, and abrogating the coinage of the legal-tender silver dollar, can find, I think, no justification except upon the theory of the bullionists, whose cause was so ably argued by the gentleman from New York, [Mr. HEWITT,] that the only full legal tender in this country should be gold. To demand gold as the only legal tender is simply to place the labor of the country in the hands of the capitalists. The demand that nothing except gold shall be a legal tender is to ask a thing now practically impossible.

The productive industries of the country, fostered by a financial policy which shall restore confidence and give remunerative employment to the laborers of the country who are now in vain seeking it, must repair the waste and destruction of war. Then only can we hope to return to a gold-coin currency and maintain it. If we were to listen to the voice of the bullionist and by the sale of bonds purchase sufficient gold to resume, it can hardly be doubted that with the enormous drain upon us in the shape of interest upon the national, state, municipal, corporate, and private debts of the country, with a large balance of trade against us, we would soon become involved in the throes of financial embarrassment and distress compared with which all our past experience would seem light. Believing the attempt to resume specie payments in 1879 utterly impracticable, I regard the present resumption act a useless menace to the business of the country, paralyzing every industry and prostrating every trade, throwing thousands of the best and most skillful laborers and artisans of the country out of productive employment.

It is not, however, my purpose to speak of the resumption act. I want, however, to declare my belief in our legal-tender notes as one of the best currencies ever devised, and I hope to see them maintained until prosperity shall gladden our land. I am inclined to believe the true policy of the country while maintaining our legal-tenders, now that the Government has undertaken to furnish the people with silver coins and that the amount of the production of silver bullion in this country and the price it now commands in the market will enable us to do it, is to procure the bullion and coin all the silver money that the business of the country seems to demand. I am free to say that I entertained, and still entertain, grave doubts as to the policy at this time of attempting to purchase silver bullion by the sale of gold-bearing bonds and coin such bullion to take the place of the fractional currency. It seemed, and yet seems doubtful whether \$40,000,000 of silver coins in circulation are so much more valuable to the business of the country than a like amount of paper fractional currency as to repay the people for the annual burden of the interest at 5 per cent. on forty millions of gold-bearing bonds which must be sold to procure the bullion for coinage.

But the policy, wise or unwise, has been inaugurated. There now seems to be no middle course. We have plunged into the stream and cannot stop in midcurrent. Either let us have all the silver coins we can use or none. Hence, I am now disposed to support any measure which seems to be wisely matured having in view the supplying the people with all the silver coins which can be utilized in the trade and business of the country. The policy of confining its legal-tender quality to sums of \$5 and under is in conflict with our whole national history and experience prior to 1873. It seems to me unwise and calculated to impair the usefulness of this species of coin as a circulating medium. It is certainly in the interest of the capitalist as against the laborer. By the law of the land the silver dollar used to be a legal tender, not only in payment of the poor man's daily labor, but of the bondholder's and capitalist's debt. By the policy of the present legislation, the present silver coinage is made good enough to pay the laborer for his day's work, but it is not good enough to pay the rich man's obligations held by him either against his neighbor or his Government. This is an unjust discrimination. I believe it will also prove a mischievous one.

I could wish to see the present bills so amended as to make the silver dollar a legal tender for all sums, or, if that were not practicable, to see it made a legal tender in payment of \$100 in any one payment. This wish, however, it seems hopeless to indulge. It has been determined, if we are to have silver coins at all, that they shall not be a legal tender in payment of more than \$5 in any one payment. The interest of the gold bullionists seems to be too strong with the majority of this House to tolerate the use of silver coins except for small change in sums of \$5 and under. While I shall vote for the silver bills, I shall do it regretfully, impressed as I am with the belief that the wisdom and experience of our country for eighty years have demonstrated the fact that the silver dollar can be safely employed as a full legal tender. I do it regretfully because by refusing to make the silver dollar a full legal tender Congress declares that a debased silver currency is good enough for labor, but capital must have its dues in gold. Sooner would I see gold go to the laborer.

These observations, hastily made, are intended merely to explain the votes which I shall be called on to give on the pending measure. While these measures are not what I could wish, I shall vote for one of them as the best I can obtain. The other I shall oppose.

I especially object to that portion of the bill authorizing the issue of ten millions of silver coin in exchange for a like amount of legal-tender notes as substantially locking up that amount of legal-tenders. The bill is wrong in that it provides for the re-issue of the legal-tender notes only upon the receipt from dues at the Treasury of a like amount of fractional currency and the re-issue of the legal-tenders upon the destruction of the \$10,000,000 of fractional currency received from dues. It is apparent that the sum of ten millions of fractional currency will not be received from dues at the Treasury for many years. This currency is only receivable for small change and must come in slowly. The bill, then, looks, in my judgment, to a contraction of the legal-tender circulation to the amount of \$10,000,000. I cannot consent in the present stringency of the money market to lock up permanently so large a sum of money. If an amendment had been allowed so that the legal-tenders received in exchange for the silver could be used as received at the Treasury I would gladly vote for the bill. But the gag is applied and no amendment allowed. I regret that the Committee on Banking and Currency have determined to give no relief to the want for small change now existing except at the expense of a contraction of the legal-tender circulation to the large amount of \$10,000,000. To fly from the evils arising from a want of small change to the greater evil arising from so large a contraction of our legal-tender circulation is neither wise nor fair. I regret that the majority will give no relief to the people's distress for small change except at the expense of so deadly a thrust at our legal-tender circulation.

#### Commercial Relations with Canada.

### SPEECH OF HON. GEORGE W. CATE, OF WISCONSIN,

#### IN THE HOUSE OF REPRESENTATIVES,

June 15, 1876,

On the joint resolution (H. R. No. 14) authorizing the appointment of commissioners to ascertain on what terms a mutually beneficial treaty of commerce with Canada can be arranged.

Mr. CATE. Mr. Speaker, the gentleman from New York [Mr. WARD] was eloquent and enthusiastic over the vast possessions known as the Dominion of Canada lying north of the United States, and thinks that the people of this country fail to appreciate the practical value of that immense region of country. It is perhaps too true that the great majority of our people have but an imperfect idea of the extent of the British possessions north of us, and but a faint conception of its great and varied resources. It is rich in fertile lands, in timber and

lumber productions, in mineral wealth, in its fisheries and valuable peltry, and in agricultural products it is already a rival of our own country. Its inland seas, its navigable rivers, the finest on the globe, its harbors sufficient to accommodate the shipping of the whole world safe from storms and tempests, endow it with all the elements of an empire; and it must be confessed that there is much in the present and future of that immense region, stretching from ocean to ocean and hundreds of miles to the region of eternal snows at the north, to excite our admiration and cupidity; and were we now considering a question involving the acquisition of that country, we should take pleasure, as it would be a duty, to go more at length into its present situation and probable future. But this is not a question of purchase or acquisition; if it were, I doubt not some means would be found by the thrifty and enterprising statesmen of this country to secure it, let the price be what it may. Notwithstanding by far the larger portion of the territory in question is less valuable than Alaska because less accessible, isolated from all the world, with none to disturb its unending solitudes, still there is an empire in extent, capable of a great and varied and valuable production; indeed, its productions are already valuable and creditable to the industry and enterprise of its people. But in the character and magnitude of its productions lies the very obstacle in the way of reciprocal relations, if by that is meant free trade between this country and that. That is a dry question of business, to be settled wholly upon economical principles as applied to our own people, irrespective of the interests of the Canadian people. Undoubtedly it will be largely to the benefit and advantage of the Canadian provinces to have such commercial relations with the United States as will permit the free and unrestricted use of our channels of transportation to our own markets for their products; but it must be borne in mind that they constitute an independent foreign power, with no claims upon us except such as by the laws of nations one nation is bound to accord to another, and that the first and paramount duty of every government is to its own people. And this obligation is acknowledged and applied to-day in the tariff and revenue laws and regulations of every civilized nation on the globe.

For the protection of our own people against a foreign competition our Government has always imposed restrictions, by way of duties, upon the productions of other countries, designed to put our own people upon an equality with the producers of other countries, and neutralize advantages in price of labor and material, and therefore in cost of production. We once tried reciprocal relations with Canada. It did not prove satisfactory to our people, the entire agricultural population joining in demanding that the treaty should not be renewed; and it was the generally received opinion of the country that the treaty was highly injurious to that interest; that the benefits were all on one side—in favor of Canada. I can well understand that free trade is much to be desired between countries requiring the surplus products of its neighbor, but why it should be considered advantageous between countries producing precisely the same articles for export I am unable to see. We desire a market for our surplus pork, beef, butter, cheese, wool, barley, oats, peas, lumber, &c. Of these staple articles we not only more than supply our own home consumption, or would do so if left to ourselves, but we export largely of them. The Canadian provinces have a large surplus of these very productions over and beyond supplying their home demand, for which they are obliged to find a market outside of their own dominions. A very large amount in value of these surplus products finds a market in this country, notwithstanding the high duties now imposed by our tariff laws. The Canadian producer pays the duty on his products, and then puts them side by side with our products in our own markets. A great deal of rhetoric is displayed in taking a "broad and national view" of this question; but still the idea is very strongly impressed on my mind that nobody is benefited but those who are benefited by an overstocked market.

In 1854 partial reciprocal relations were agreed upon between the United States and Canada; they extended, however, only to the productions of the farm, lumber in its various forms, timber, shingles, products of our mines, and to the fisheries. That treaty, as everybody must see at a glance, was an arrangement in the interest of the Canadian producer and consumers in our own country, and in which the interest of the producers of those products in this country were entirely ignored, and the first class named were loud and constant in its praise, the latter never tired of denouncing it in the most unmeasured terms. The gentleman from New York says that it was for several years satisfactory. It never was satisfactory to anybody on this side of the line except to those whose interests were promoted by a full market. The articles embraced in that treaty constitute the entire exportable productions of Canada, and of the whole of which she always has a large surplus to sell. So do we. We also consume large quantities of such products in our cities and manufacturing districts and in our Army and Navy; but beyond these home demands we send large quantities to other countries. Under the treaty of 1854 our markets were flooded with Canadian products, if not to the practical exclusion, to the great injury of our own producers. The geographical position of the Dominion of Canada with reference to the lines of transportation to the great markets of this country enabled her to reach the great body of consumers in this country much quicker and at less expense than our own producers could, to the injury of the producers of such products in this country.



Taking for our text this idea, that the first duty of the Government is to its own subjects, let us see how a treaty removing all commercial restrictions with Canada will affect that class of our people who are engaged in the production of those products of which Canadian exports are chiefly composed; I speak now for the producers of our agricultural products, for our lumbermen and miners, a class of producers whose special interest in the adjustment of our tariff laws have as a rule been practically ignored, through the wisdom of statesmen who seem to have considered that the object and end of all tariff laws, so far as the question of protection was concerned in the adjustment of such laws, was to enable the manufacturer to realize a higher price for his goods than he would have otherwise been enabled to do. To accomplish this purpose there has been no end to the imposition of tariff duties on manufactured goods, and this class of statesmen have at the same time been willing to throw the gates wide open to unmanufactured goods to enable the manufacturer to buy as cheap as possible. And to more forcibly illustrate the truth of this statement is the fact of this discussion, in which it is proposed to let into our markets free of duty all the staple products of the only country on the globe whose productions are of the precise kind of the productions of our own country, and whose geographical position is such as to render her a dangerous rival in our own markets, and for which it is not easy to perceive any adequate compensation.

For the last fiscal year, ending 31st December there was imported into this country from the Canadian provinces about six million dollars' worth of barley, two million dollars' worth of animals, and two million dollars' worth of other kinds of grain and breadstuffs, and nearly another million dollars in butter, cheese, lard, &c.; and for the year 1873 the Canadians imported into the United States more than eleven million dollars' worth of lumber and lumber products; raw wool, \$1,000,000; salt, \$200,000. Of the productions of this country of a like kind there was exported to the Canadian provinces during the same time a very much less amount than was imported from the provinces into this country; but while there is nothing to show how much of the articles thus exported were for home consumption there, there is little doubt that the larger part was for exportation, because it is reasonable to suppose that a country which exports so largely of the same articles would be likely to supply her home consumption of her own productions instead of exporting to a foreign market, and buy her own supplies of the same article in such foreign market. Montreal has always been a large pork market where large quantities are packed and shipped away, and considerable pork in the carcass is marketed there from Northern Vermont, New Hampshire, and Maine, but it is not for home consumption. It goes to England. It is not because the market is any better there, but because buyers for that market go through the country and buy at the price where purchased and ship to Montreal on their own account; and what is true in regard to this product is true of all the products of the farm, the forests, and the mines. Canada never can be a market for any considerable quantities of such products the growth of other countries, because the great and predominating industries in which her people are engaged are those of the farm, the forest, and the mines; her manufacturing interests are small—a dependency of the British Crown; toward whom, as toward all its dependencies, the policy of supplying with manufactured goods from its own looms and factories has been a principle of governmental policy.

A treaty of the kind proposed, so far as the productions of the two countries are concerned, is reciprocal only in name. The productions of Canada are not needed for consumption by our people. But it is said that the "agricultural productions of Canada, being identical with those of the Northern States, would be exchanged advantageously with the Southern States for their products." The answer to this argument is that such exchanges will deprive our own producers of a home market for their products just to the extent to which these foreign products are admitted, and drive the surplus products of our country away from home for a market. What statesmanship or justice is there in dividing our home market with a foreign producer free of impost duties, the effect of which would be, as I have before shown, to give him an advantage in our great produce markets, because more accessible to him than to the principal grain-growing regions of the United States, and would be an outrage upon our people for which there is no justification? Perhaps the injury does not lie so much in the influence the importation of Canadian products has thus far had upon the value of the like products of our own country, as in the fact that it is proposed to admit such products free of duty, thereby diminishing our revenue receipts by many millions of dollars, increasing the burdens of our own people to that extent, and is in effect a clean gift of that amount to our Canadian neighbors. I say a clean gift, because it is not probable that the imports of agricultural products from that quarter would be materially increased by a removal of the duties, as in the last year of the late reciprocal treaty all the imports were \$39,000,000, and for the last fiscal year the value of imports was about \$33,000,000. Of course the tendency of impost duties is to check importations, having more or less force, depending upon the rate of duty; but there is little doubt that the bulk of the Canadian productions imported into this country came here because it was the best market notwithstanding the duty. But the importations from Canada of the products of the farm is a serious injury to the farmers of the West.

Take the article of barley, for which there is no export demand and

the home consumption limited to the wants of brewers and malsters. Last year there was imported into the United States for consumption over six and one half million dollars' worth of barley and barley malt, upon which there was paid a duty of \$972,759.62. We imported over a million bushels of oats, upon which there was paid a duty of \$121,936. And in addition the Canadians find a market here for their surplus butter, cheese, lard, peas, buckwheat, bran and mill-feed, bread and biscuit, rice, rye and rye flour, &c. Now is there any reason why a foreign people should supply our own home demand with articles of which we raise a surplus, and in which our production would be largely increased if a market could be found? In the article of barley the Canadian producer has actually driven our western farmers out of the eastern markets. He is near at hand, with convenient transportation; he watches the market, and is enabled to take advantage of any demand and supply it before the western man, by reason of the greater distance his goods have to travel, can get to market. There need be no fear that the consumers will be imposed upon by the high price of these articles if foreign competition is shut out, because in a country so vast in extent and where so large a portion of it is adapted to the production of breadstuffs and must be used for that purpose, and in the production of which a large majority of the people must necessarily be engaged, competition and amount of production will keep prices at a point near the actual cost of production.

But our commercial relations with Canada are said to be "exceptional," if anybody knows what that means, for they are exceptional only in the ease and facility with which its products can be introduced to our markets. To us Canada is to all intents and purposes a foreign country, and should be treated as such. Is the introduction of its products into our markets any the less injurious to our producers because the growth of contiguous territory? In countries remote from ours, distance itself, by increasing the cost of transportation, will afford protection against foreign competition, but from the productions of contiguous territory there is no protection from foreign interference at all, unless it be found in the imposition of such duties as will exclude them. The gentleman from New York [Mr. WARD] says that the argument that the products of the "pauper labor" of other countries should not be admitted to compete with our own citizens, has no reference to a contiguous territory from which people may pass to the United States in a few hours; but he has not told us why it has no such application. The necessity is the same, for the injury is alike and much greater in case of contiguous territory, for the reason above mentioned, namely, nearness to our markets and facility of ingress. Further on the gentleman says:

Another argument from the same class of theorists is derived from the importance of a "home market." But a home market is the market nearest home, and this is furnished by the respective countries to each other at every point of their common boundaries.

No nation in the world has ever acted in accordance with this idea in the adjustment of its tariff laws, so far as I have learned; but, on the contrary, precisely the opposite has been the universally received doctrine, that "home market" means a home market to the people of the country within which it is located; and it is clearly a perversion of the understanding of everybody to say that New York, Boston, and Chicago are the home markets of the people of any other government, or that Quebec and Montreal are the home markets of the people of the United States. It is opposed to the grand principle upon which all protection is founded, and without which such laws cannot be sustained, that the people of a country who support, maintain, and defend it by their money and valor shall be protected in the sale of the productions thereof in their own country—in their "home market," so to speak—from an unjust and injurious competition from other countries. It seems to me that the speech of the gentleman from New York [Mr. WARD] is a labored effort in behalf of the Canadian producer. Nobody on this side of the line has requested any such thing, excepting, of course, the cities interested in breaking down every obstacle that tends in the slightest degree to prevent them from becoming great centers in the commercial world, and also excepting those engaged in the lines of transportation benefited by such an arrangement; all others are opposed to it. While on the other side of the line the people are clamorous for a new treaty, every effort was made by them immediately upon the expiration of the old treaty to have it renewed, and a delegation visited this city for that purpose and sought by every means in their power to induce a renewal of the treaty; and since that time they have never ceased to urge upon Congress the propriety of such an arrangement. But the people of this country have never shared in that feeling. That the treaty was profitable to Canada does not admit of doubt; their solicitude for its renewal is evidence of that, if there was none other; but there is plenty; it was a saving to her producers of millions every year in the way of duties, while upon everything of the productions of this country for which there was any demand in the provinces there was imposed a heavy duty. And why must any reciprocal arrangements that are likely to be entered into with Canada be unsatisfactory to the people of this country? Because the exports of Canada consist chiefly of raw productions of the farm and forest, of which we export little or none for consumption there. Says the gentleman:

The admission of these articles between the two countries duty free is not the most just or desirable form of reciprocity.

This expresses the whole question in a nutshell and in a few words the whole secret of the opposition to reciprocal relations between the two countries; and there is no prospect that any arrangement can be made that will at all compensate the producers of farm and forest products for the injurious competition from Canadian products; neither is it clear in what way the country is to be compensated for the revenue lost to the Government consequent upon admitting such products free of duty.

In addition to admitting free of duty the products of the farm, as under the treaty of 1854, it is now proposed to admit into each country duty free, manufactured products. Such an arrangement might be a benefit to manufacturers on both sides and to the producer of farm and forest products in the provinces, but it does not alter the status of the producers in this country; if we could do the manufacturing for the world it would benefit all classes of our citizens, and especially the producers of breadstuffs, in the increased market it would afford for such products. But such an advantage is all lost, if in securing that we permit the nations whose manufacturing we do to furnish all the breadstuffs demanded to sustain such manufacturing and more beside. The establishment of manufacturing within a country benefits the farmer by reason of the greater demand for his products at home, but it is no benefit to him if another country with equal or better facilities for doing so is permitted to supply the extra demand made necessary by such manufacturing. But this is all the merest speculation possible. Reciprocal relations with Canada while it retains its present relations with Great Britain cannot be extended to include the products of our looms and factories, neither do I believe that our manufacturers will consent to throw open our ports to the products of the English factories; it must extend to that to be of any benefit to our people. Why, our manufacturers have always claimed to be unable to compete in our own markets with British goods, and at their instigation all such goods have been charged with a rate of duty sufficient to overcome the pretended difference in cost of manufacture. If free trade or reciprocal relations less than free trade in manufactured articles is desired by our manufacturers, how comes it that while the Canadian government has imposed an average duty of 17½ per cent. on manufactured goods imported from this country, our Government imposes a duty of 40 to 60 per cent. upon the same class of goods imported from Canada into this country? The reason is obvious; the Canadians do not fear our manufactured goods in their markets. No kinds of wearing apparel or goods made of wool, cotton, flax, or silk made in this country have ever maintained any standing in the Canadian markets, for the best of all reasons, that better goods of English or Canadian manufacture would undersell our goods in that market, and there has never been a time since I came to years of understanding that woolen, cotton, and silk wearing apparel could not be purchased in Canada at from 60 to 70 per cent. the cost in the States; it is so to-day, and is a fact well known to those who have had occasion to know anything of the matter, and explains the reason why Canada can afford to appear liberal in the adjustment of its tariff laws with regard to goods manufactured in this country, and why our Government cannot afford to meet them half way. Why are the class of goods before alluded to cheaper in Canada than the same class of goods in this country? Because either the cloth of the goods, or the material of which it is made, is admitted into the provinces duty free; the manufactured goods coming from England, the product of pauper labor, and at such less cost than we can produce the same kind of goods, that, as the gentleman says, unless some restrictions can be imposed upon the importation into Canada, reciprocal relations with that country would enable its merchants to drive our goods out of our own markets. If the Canadian provinces were an independent government some practical scheme for reciprocal relations might be devised, but so long as those provinces remain dependencies of the British Crown no treaty stipulations need be looked for that involves an exclusion of British manufactures from the provinces. The prosperity of England lies in her unrivaled system of manufactures, sustained largely by the markets afforded in her extensive colonies. This trade with her own colonies, and of which she of course holds a monopoly, she will not be likely to surrender to any other power. And I apprehend our manufacturers are not anxious for such relations with Canada as will permit the products of the English looms to come into our markets free.

The fact that large quantities of wheat and wheat flour are imported into Canada and exported from there to other countries proves nothing in favor of such a treaty. Unless our exportable products find consumption in Canada, there is no reciprocity for the importation of her products which enter into consumption here, because it amounts to nothing more or less than so much of our exportable products reaching a foreign market through the Dominion, which they would certainly reach, without the interference of Canadian dealers, through other channels; in other words, by this arrangement with Canada we shall find no new or additional market for a single bushel of grain.

How is the producer of barley, whose home market is destroyed by the importation of Canadian barley, benefited by the transit of ever so much wheat through that province to a foreign market? Of course not at all. If Canada is able to afford us an additional market beyond the well-known markets we already have, there would be some compensation for the admission of her products duty free. There can be no reciprocity in farm products between the two countries for a reason that must not be lost sight of, namely; the principal products

which Canada desires to introduce to our market are products for which there is no foreign demand, products that will not bear transportation—barley, pease, beans, oats, animals, potatoes, wool, lumber, and rice—articles that are consumed here, and therefore have an appreciable bearing on the value of our own like productions and are directly in competition with them, while on the other side the farm products Canada takes from us, wheat and wheat flour and meats, are staple articles of export, and which we do export in large quantities, and of course for which there is always a foreign demand; consequently it is not a benefit arising under a treaty with Canada that the foreign demand reaches us through Canada; it would reach us just the same were there no treaty, but through other channels, if her merchants had not interfered. They did not create the demand; they were but the medium in supplying it. Suppose there had been no foreign demand, would Canada have purchased of us for export or at all? Certainly not. She buys of us to sell again, not to new customers, but to the same customers to whom we have always sold our surplus wheat; and the interference is no benefit to us.

It is thus seen that the injury to our producers lies not in the exchange of grain or other products for which there is an export demand in both countries, which would carry off any surplus, but in an exchange on our part of products for which there is always an export demand for products for which there is none in either country. Take barley as an example, for which there is no export demand. The entire consumption of this article in the United States is about 22,000,000 bushels. Of this amount New England and New York furnish 8,500,000 bushels, California 8,000,000 bushels, Canada over 6,000,000 bushels, (or over one-fifth of the whole consumption,) and the Western States the balance, showing that in the great markets of New York, Boston, Albany, and other eastern markets the State of New York is the only competitor the Canadian producer finds. By reason of his proximity to those markets he is able to keep the western producer at home, to the extent at least of the Canadian crop. It cannot be denied the admission of a foreign product bearing so large a proportion to the whole consumptive demand must have an injurious effect upon the home grower.

The question of transit for our products through the Dominion, on their way to a foreign market, ought not to be taken into consideration as compensating us for surrendering a home market which we have always been able to more than supply, because the question of transportation is one that will take care of itself. If the carrying trade is of any importance to the Canadians, they will make it an object for shippers to go that way, which can only be by making their route as cheap and expeditious, or more so, than any other, taking into consideration the impost duties. Of course the free navigation of the Saint Lawrence is desirable as a competing line with others to the sea-board, but is not indispensable to the prosperity of this country; happily for us we are not in any sense dependent upon any foreign power for transportation privileges, but have within our own borders unequalled facilities for reaching tide-water, and it is not at all probable that the enterprise and pride of our people will ever permit this carrying trade to be diverted to a foreign channel. But, as before remarked, that is a question which may be adjusted without requiring our producers to make unjust and unfair concessions. Our routes of transportation are quite as important to the Canadians as theirs are to us, and they will be quite willing to concede free transit to our products through their territory for the same privilege through our territory.

The gentleman from New York complains that the people of Canada are enlarging their facilities of transportation for the purpose of driving away from this country the transit of their own products, doing that which every government ought to do: provide the facilities for doing the carrying trade of its own products through its own territory; what our own country will no doubt do with regard to its own products. If the advantages flowing from the transit of our products through its territory are not sufficient to induce the government of Canada to remove unnecessary obstructions, the means will no doubt be found to furnish the necessary transportation in our own country. I do not understand that there has ever been any restrictions in the navigation of the Saint Lawrence River, except the tolls imposed for passing the Welland Canal; neither is it probable there will be, it is so largely to the interest of the Canadians to induce the use of that route. The people of this country will never consent to unjust and unreasonable concessions for the partial benefits arising from affording our railroads and canals an opportunity to carry Canadian produce. The benefit of this mere carrying is confined to a comparatively small portion of our people, while the injury arising from the admission of Canada products free would be an injury to the whole country.

Mr. Speaker, another benefit to the Canadians and corresponding injury to this country resulting from reciprocity is in the admission of lumber products free of duty. If there is any principle which may be said to be established in the adjustment of our revenue tariffs it is that the duties shall be so imposed as to protect the manufactures of this country against unfavorable competition from other countries; and so long as this principle remains the acknowledged policy of the Government I insist that an exception shall not be made against so important an interest as that of the manufacture of lumber. With equal propriety the duty on salt or sugar or iron might be repealed. The admission of lumber free of duty, by leaving it optional with the



Canadians whether they would send the bulk of their productions here or ship as now to foreign countries, would so derange the business here as to be of serious injury.

The Canadian provinces are large producers of lumber products aggregating many hundred millions annually, going principally to countries beyond the seas; but, suppose such markets should for any cause be temporarily inaccessible, as in case of war, it would leave this vast production to be turned into our markets, resulting in great injury to the lumber interests of this country. The lumbermen of that country have an advantage over people engaged in the same business in this country, in this, that the price of labor is cheaper, cattle, horses, and provisions are cheaper than such articles are here, and in addition the facilities for reaching the lumber markets of this country are better from the mills in Canada, where manufactured, than from the pineries of this country. Therefore, as a rule, the Canadian dealer can put his lumber down in our market and pay the present duty at less actual cost than our dealers can deliver their own lumber at the same place. The idea of those in this country who favor free trade in lumber that the admission of lumber free of duty will cheapen the price in this country is undoubtedly an error unless the importation is sufficiently large to overstock the market. Taking the highest yearly importation of the last ten years, say, six hundred million feet, it would be an amount too trifling to affect a market in which the average annual sales cannot be less than ten thousand million feet. It is, therefore, a question of revenue purely. Under the present rate of duty imposed upon lumber products, there is levied and collected as part of the revenues and used in defraying expenses of Government as much as \$1,500,000, and very nearly the same amount is collected on the importation of barley, wheat, rye, oats, and breadstuffs imported from Canada into this country; and I apprehend the producers of farm products will not consent to the admission of farm products free of duty. And is there any good reason why any distinction should be made between these two classes of products? Those who favor the admission of lumber free affect to believe that it cheapens lumber; but this I believe to be an error, taking the average importations of the last ten years as a basis. But a small portion of the lumber products of Canada finds a market in the United States, showing that the lumber market here does not control that of Canada; because, if it did, more lumber would be sent here. Other markets, beyond our influence, control and govern the market there, and there has never been, either under reciprocity or since, any attempt to make the United States a general market for Canada lumber, but the trade has been exceptional, confined entirely to the orders of American dealers for the delivery of specific kinds and quantities, designed to supply a particular trade, never beyond that, and as a rule confined to the lower grades. The advocate of free lumber supposes the imposition of a duty will diminish importations; but the truth is that the trade has never attained sufficient magnitude to be affected by that consideration at all, as is proved by the fact that importations have largely increased since the repeal of the reciprocity treaty; that since there has been imposed a duty of \$2 to \$2.50 per thousand feet the amount of lumber imported has more than quadrupled the amount imported under free trade, while the price in the States was higher during and under free-trade regulations, say from 1854 to 1866, than since the expiration of the treaty, showing that causes entirely independent of the question of "duty" have governed the lumber trade between the United States and Canada.

In further proof of this idea that the treaty regulations with Canada had no influence on the market value of lumber in Canada is the fact that immediately after the termination of the reciprocity treaty and the imposition of a duty of 20 per cent. *ad valorem* the price of lumber advanced in the principal lumbering districts. Now, sir, I should like to hear some reason assigned for such a measure. No man can demonstrate that it will cheapen lumber or that any possible advantage will result to this country to compensate for taking \$1,500,000 out of the public Treasury in the way of surrendered duties and putting it in the pockets of a few importers of Canada lumber, as I have stated that importations have increased since the duty was imposed; that lumber in the States has not risen in price, but, on the contrary, has diminished, while in Canada the price did not fall as was apprehended when a 20 per cent. duty was imposed, but, on the contrary, the price advanced, showing that the Canadian market was not influenced by the impost duties. What service has Canada ever rendered to this country that we should extend to her people this extraordinary and exceptional privilege, taking this large sum of money from the Treasury of an overtaxed people and putting it into the pockets of the subjects of a power which through an unjust and unfriendly policy contributed materially to the present embarrassments of the country?

Those engaged in the business of manufacturing lumber in the United States regard the proposition to admit lumber free of duty as a blow aimed at that important interest, and containing within it an implied assertion that they are reaping larger profits in the business than is just and reasonable, as compared with the profits of other industries.

I represent, sir, on this floor a district that manufactures annually 1,000,000,000 feet of lumber, and have resided there for thirty years, and am acquainted with the business in all its branches, and have personally participated in it in all its various departments, and feel confident of my ability to speak understandingly in regard thereto;

During the war and since its close to within the last few years, the business of lumbering had been fairly remunerative, nothing beyond, but for the past five years I assert that the business has been prosecuted at a loss, arising not because more lumber has been made than is really needed in the country, but because of the embarrassed condition of all branches of industry, and the consequent inability of the people to buy and pay for as much lumber as their necessities require, producing general stagnation in the business and an accumulation of lumber in all the principal markets, to remain an indefinite time on a constantly falling market, awaiting an opportunity to sell at any price. Hundreds of hitherto prosperous lumbermen have been obliged to succumb to the embarrassments of the situation, prostrated by the loss of idle capital and eaten up by the payment of interest in vainly trying to "bridge over" the hard times. But unfortunately the chain is too wide. Says a western journal:

Western lumber interests have in a variety of ways suffered terribly during several years past. Between fires, freshets, explosions, and a long list of casualties, to which depressed markets and monopoly extortions may be added, not only the prosperity but very existence of a large percentage of our enterprising northern population is seriously menaced. The financial pressure has forced the partial or total suspension of many of the largest mill companies. Floods have now swept many hundred millions of feet of logs into the Mississippi, or worse, out upon the bottoms; booms, dams, and other structures have been destroyed, and many localities can scarcely fail to suffer severe privations from the general calamity. All this, too, at a time when losses of any kind would be doubly felt by the stricken population.

But the most serious feature of the case is that, as in other avocations, general impoverishment has exhausted the means of consumers and sales are everywhere limited. Cities and villages are scarcely growing at all, the farms no longer allow of large expenditures, and immigration and new settlements have nearly ceased, so that at best the promise of future profit is not encouraging. If there is any relief in store it will not come through shrinking the currency, destroying half the value of every citizen's property, drying up the very fountains of enterprise, or in making our paper money an absolute monopoly in the hands of a few thousand bankers, banded together to plunder if not ruin the country. If our lumbermen do not look to Congress, and force protection from their Representatives, the interest has blue times in prospect.

Sir, it is under such circumstances as these that the lumbermen of this country feel keenly the influence in a market already glutted by the introduction of five or six hundred millions of foreign lumber, when the great effort is not for profits, but cost of manufacture and transportation; and I take upon myself the responsibility of asserting that the results of the business for the last four or five years have been unsatisfactory to lumbermen, to all classes, absolutely ruinous to the smaller class of operators; and those doing business on an entirely solid basis, whose means were ample and whose facilities enabled them to do business in the most economical manner, and take advantage of every possible circumstance, are unable to show any profit over expenses, and the great effort of all has been to escape utter ruin.

No effort should be made to antagonize the agricultural against the lumber interest in this country, but these interests should stand together; the prosperity of both is necessary to the prosperity of either, and the prosperity of the agricultural is not more necessary to the lumbering interests than is the prosperity of the lumbering interest essential to the agricultural interest. They are mutually beneficial, and any measure or policy that cripples either one will surely injure the other. With equal propriety might the extensive and powerful lumber interests of this country combine to facilitate and cheapen the introduction of all the immense supplies, chiefly the products of the farm, used in lumbering, as that any class of producers shall combine to admit foreign lumber into our markets to compete with the productions of our own country. The agriculture of this country cannot afford to strike a blow that shall cripple or embarrass the lumber interest; it is a blow that would rebound and inflict a corresponding injury upon the one setting it in motion; and it is very apparent to my mind that free trade in farm and forest products would be greatly to the injury of the farmers. It is estimated that in the three States of Michigan, Wisconsin, and Minnesota, being those States in which the greater portion of the lumber of this country is manufactured, there are employed in that business about one hundred thousand persons, the greater portion of whom, of course, have families to which, applying the common ratio, and we have five hundred thousand persons dependent for support from the wages of persons employed in lumbering. To this number are to be added those engaged in the transportation from mills to yards and the handling and disposition of it until it reaches the consumer, and we have some idea of the vast population gaining its support out of the business of lumbering.

The producer of farm products will not be likely to underestimate the advantages of close proximity to the lumber districts in the market afforded for the vast amount of corn, oats, wheat flour, beef, pork, cattle and horses, and other farm products required to carry on the business in all its branches. The lumber districts as a market are not to be ignored. They are the best market the farmer has to the extent of their demand. It is so in the State I in part represent: the markets in the pineries for farm products are the best markets in the State and the consumption of farm products is immense. Farm lands are worth more in the neighborhood of the pineries upon the principle that distance from market is an important factor in determining the value of farm lands, and nowhere is this more apparent than in close proximity to the lumber region.

In the city of Stevens Point in my district and a principal market in the Wisconsin River pineries, in which supplies for lumbering are

extensively bought and sold, the prices of all kinds of farm products entering into supplies for lumbering are greater than in either Milwaukee or Chicago, the great markets of the West. Now does anybody suppose that it will be cheaper to buy lumber of the Canadians and lose the home market and be obliged to send to a distant and uncertain market the products that would otherwise be consumed at home, and in that way pay transportation on the lumber from Canada and on the products of the farm sent abroad? Not only is the country benefited in the matter of a market for its products, but employment is provided for thousands who would otherwise be idle when the labors of the farm did not demand their attention, and the spare teams of the farm, which would otherwise stand idle, a bill of expense to the owner, find profitable employment during the winter months.

As a rule, a home market is better for the producer than a foreign market, because in his own market he gets the full value of the product, with no deductions for risks and commissions, which are all charged to him when his produce is purchased to go to a foreign market. A purchaser of Milwaukee wheat to go to Europe keeps a margin to cover risk against loss, insurance, and safety from a falling market, and, therefore, cannot afford to pay as much as he who buys for immediate consumption; and the difference to the producer when wheat is worth \$1 in Chicago in favor of that market and against the English market is not less than 20 cents per bushel; that is, the shipper buys upon as wide a margin as that.

It seems incredible to me that gentlemen on this floor can seriously urge a policy of free trade with a country which buys of us for home consumption none of our great staple articles of exports, but exports largely herself of the same articles, and whose immense territory when brought under cultivation will enable her to become a dangerous rival in our own market in the sale of agricultural products, and must prove injurious to the manufacture of lumber, a branch of business intimately connected with the prosperity of the country. However much we may desire the prosperity of a sister-republic, is it a wise policy for us to minister to such prosperity to the injury of ourselves? It is not so much of to-day that we are considering this question, but of the future, as a permanent policy is desirable by which the enterprise and industry of the people will be governed, and to which the business of the two countries may adjust and settle itself.

We have seen that the exportable articles of the Canadians, the products of the farm and forests, already reach hundreds of millions of dollars annually, to be increased to an indefinite extent in the near future, already a population of over four millions, three-fourths of whom inhabit territory south of our northern boundary of Maine and Minnesota, and the gentleman from New York says "favorable to the growth of wheat, barley, and other cereals of the North;" and it is a proposition admitting of no contradiction, that the immense populations that will in the future possess this wide expanse of fertile lands and illimitable forests must be producers alone of the products of the farm and the forest. From the very nature of the country, its people must be an agricultural people, with limited manufactures, and therefore its home market will be unimportant; all its vast productions must seek a foreign market. And do the farmers of this country desire to initiate a policy through which such immense quantities of farm products may be thrown into their markets and compete with their products? It is well for them to consider this question in all its bearings; no policy will be agreed upon which will be partially beneficial to one interest and prejudicial to another; there will be no admission of lumber products free of duty and a prohibitory law as to farm products, but justice to manufacturers of lumber will demand for them that if lumber is admitted free, the tendency of which would be to diminish the price of lumber, farm products should be admitted free, so that they might supply the vast demands of their business in the most favorable market.

Has labor no demands for recognition at our hands that we should so legislate as to jeopardize the support of more than half a million of persons dependent upon labor in the various branches of lumbering in this country, by diminishing the demand for such labor and rendering it more uncertain and precarious, at the same time, by our legislation building up and increasing the demand for labor in the Canadas? Such legislation will demoralize and render more uncertain the prosecution of the lumber interest in this country by making it impossible for those engaged in the business to form any reliable estimate of the amount of lumber to be thrown upon the markets of this country in any given year, because the action of the Canadian lumbermen cannot be anticipated. The average consumption of lumber in the United States is well known to those engaged in the business, and also the productive capacities of the different lumber districts to contribute to such consumptive demands, and by this knowledge each manufacturer regulates his particular business to meet the demand and prevent any large accumulation, always so injurious; and it is a wholesome law of trade that the supply will accommodate itself to the demand, though circumstances beyond human foresight, such as war or the failure of crops, may diminish the demand; and so may an unpropitious season diminish the supply, but the derangement from these causes will be but temporary, and eventually the law of supply and demand will assert its power. But under the régime of free trade it will be in the power of the Canadians to demoralize the lumber-markets of this country at their mere will and pleasure, and it will no longer be in the power of any to anticipate the supply of lumber for our own markets. An accumulation in foreign

markets, a foreign war rendering the transportation by sea hazardous, may induce them to throw all their vast lumber products into our markets, producing plethora in the market to the injury of those engaged in that business and benefit to nobody, or, after furnishing a yearly supply until it comes to be regarded as a fixed element in regulating the lumber supply of the country, a sudden rise in their foreign market would induce the withholding from our markets of every board of their usually large supply, producing scarcity and high prices here, to be followed in the succeeding year, when our own crop is stimulated to a large supply by the apparent scarcity, by a large importation from Canada. The results must be mischievous. It gives the Canadians an important advantage over us in this, that it gives them a choice of markets and enables them to send to us the lower grades of lumber, that will not bear transportation seaward, and which it is an object to dispose of at almost any price, but which always has a depressing influence upon the better grades of lumber with which it comes in contact.

But we are told that the free and unrestricted importation of Canadian lumber will tend to the preservation of our pine forests and that it is good economy to first use up the forests of Canada, keeping our own to future generations. I would submit to no waste of the valuable timbers of this country, but a sharp economy should be enforced in its manufacture. People do not as a rule destroy property of their own that is valuable, but are heedless in the preservation of that which possesses little or no value; therefore, to my mind, a fair price for lumber will do more toward preventing waste than anything else. Make it an object and advantage to cut close and it will be done; so, on the other hand, when from any cause the common grades do not pay for the handling, less care will be observed in the manufacture, and only the best will be taken. Remunerative prices induce economy in the handling.

I would not rob posterity to enrich the present, neither would I impoverish the present to benefit an uncertain future. Take care of the present, and let the future take care of itself, is pretty sound doctrine as applied to the temporal affairs of life. The lumbering business of this country has already attained to giant proportions; the timber has already passed into the hands of individuals as an investment; the machinery and appliances necessary to carry on the business have cost millions of dollars; thousands have embarked their all in the business; they are obliged to go on; to stop is ruin; and it is the sheerest folly in the world to attempt to curtail and restrict the business by the enactment of laws for the purpose of preserving the timber to future generations. As well prohibit the working of the lead, iron, and coal mines for fear that future generations will have none. The present owns the timber; has all the means for its manufacture; it has improved harbors and rivers at a vast expenditure of its money to facilitate its transportation to market; it has an abundance of labor that needs employment; it has a surplus of breadstuffs, cattle, horses, and provender for which a market is wanted; and lastly, it needs the lumber. Are all these requirements to be answered by purchasing our lumber of foreigners? No; because that involves the rotting and rusting of our machinery, the sending of our products to a foreign market, the idleness of thousands of laborers, the building up the manufactories of another country, and the pulling down of our own.

Let us utilize the resources of our country in the best possible manner and supply the lumber demands of the present from our own forests, and when some uncertain and yet unborn future finds itself short of lumber it will be time enough to buy of the Canadians. Let us see how much danger there is of a failure of timber. The forests of Europe are 500,000,000 acres, North America 1,500,000,000 acres, and South America 700,000,000 acres.

A diversified industry is the best, and it cannot be doubted that the agricultural interests of this country have been greatly benefited by proximity to the lumbering regions, aside from the facilities thus afforded of obtaining its supplies of lumber. While farm laborers have in my State been paid from fifteen to twenty dollars as monthly wages, lumbermen have been in the habit of paying from twenty-five to forty dollars per month; and by its great consumption of the farm and manufactured products of the country adds greatly to the wealth and prosperity of all.

The policy that would encourage the foreign manufacture of lumber to supply our home demand would also encourage the manufacture in other countries of every fence-nail and horseshoe used in this country, to the exclusion of our own material, of which we have such an abundance. For there is no question but the pauper labor of Europe can furnish these articles to us at a less cost than our workmen can afford to furnish the same articles. There can be no distinction, and unless we are prepared to surrender the manufacturing interests of this country to the cheaper labor of other countries, all the industrial interests should stand firm against every attempt to break up the long-settled policy of the Government to advance some special interest. The argument used by the consumers of lumber is, that free trade will cheapen that commodity in our markets. I speak for the farmers, who are the principal consumers; but it must be remembered that the proposition under discussion also proposes free trade in farm products, which, by the same rule, would also be cheapened, and therefore it necessarily results that if we have cheaper lumber we have cheaper farm products to buy it with.

Cheap lumber, as well as everything else we buy, is desirable, but



not below a fair compensation for its production. But I am satisfied that, with the average price or rate of labor for the last ten years and the cost of the necessary appliances entering into the production of lumber, that industry has paid a less profit than many other interests in this country. It is desirable that those who propose to put this important interest upon a level with foreign manufactures should remember that almost the whole cost of lumber is made up of labor, the labor of our own people, and that a reduction in the actual cost price of lumber involves a reduction in the price paid for labor. Cheap lumber means cheap labor. Free trade in lumber involves just these considerations. Put the laborers of this country upon a par with the laborers of Canada and Europe and you may have cheaper lumber and cheaper iron, but not otherwise; for a competition powerful enough to break down monopolies in this country will keep the price within reason as compared with the cost of production.

Are the people of this country prepared to embark in a policy the tendency of which is to put the laboring-man on a level with the cheaper labor of other countries? If so, they must accept with it all the conditions attaching to cheap labor as the same exist wherever cheap labor prevails. It brings the mud hovel and the straw roof, the scantiest of fare, unschooled and half-naked children, wives who never see the inside of a church because the second calico dress is wanting, and husbands whose aspirations never rise above the conditions of a debasing and demoralizing servitude.

Early in the ministerial career of Sir Robert Peel he sought to establish the permanency and prosperity of the manufacturing interests of Great Britain, and to secure to her the patronage of the world, by providing a supply of labor that should be enduring by reason of being wholly dependent upon a daily labor for the absolute necessities of life, and above which they could never rise, to effect which the compensation of the operatives was fixed at a price that would barely supply the means of keeping soul and body together in a condition of wretched poverty. Pinched by want and dwarfed by overwork, they had neither the ability nor the opportunity to aspire to anything better, and therefore the aspirations of the great statesman have been fully realized, and generation succeeds generation among these people only, as it would appear, to realize his hopes of furnishing a supply of laborers for the factories of England. And at the close of life he boasted that he had anchored the manufacturing interests of his native country deep in the bed-rock of prosperity, and the historian will add that he had anchored the lives of generations of his fellow-countrymen in poverty and ignorance. What are the conditions of labor in the manufacturing districts of England as compared with the price of labor in this country? Skilled labor in the mills and factories in England is paid \$6 to \$8 per week. In this country the same class of labor is paid \$18 to \$24 per week. This is a nation of toilers in the workshops, in the mines, in the forests, and at the plow, and all classes properly appreciate the dignity of labor, and no policy should be adopted the tendency of which is the debasement of labor. Now, if the Canadian lumbermen can undersell us in our own markets, it is solely because lumber in Canada can be manufactured cheaper than in the States; and if it can be made cheaper there than here, it is because labor and breadstuffs are cheaper there than here; and if lumber is admitted free of duty, resulting in reducing the price, our lumbermen will be obliged to protect themselves from such ruinous competition by reducing the price of labor in our pineries; and this policy of admitting foreign lumber and foreign breadstuffs free, once initiated, may be applied to all the manufacturing interests of this country, resulting in the destruction of our most important industries.

This result follows if it is true that free lumber and free farm products lessen the price; but if it is not true that the removal of the duty on forest and farm products will reduce the cost of those products in our markets, then why remove the duty, why take several millions of dollars out of our Treasury and put it in the pockets of a few Canadian dealers? The people of the United States pay for the privileges of their market and the protection the law affords them in their persons and property. Let the foreign tradesman do likewise. It is a fallacy to suppose England will ever consent to any regulation which will place their manufacturers and ours upon an equality in the Canadian markets, or that our manufactures will ever consent to any regulation which will permit the introduction of English goods via Canada free of duty. Such regulations are impossible, arising as they do out of the conditions of labor in the two countries. The British, acting through the Canadian government, will at any moment consent to free trade in manufactured goods; it is just what they want, and is evidenced by their nominal tariff; while the views of our manufacturers are abundantly proven by our practically prohibitory tariff of 40 to 60 per cent., as before stated.

But Mr. WARD says that "manufactures are not the only form of industry which is worthy of consideration; the interests of our merchants and forwarders, as well as the people of Canada, are seriously injured by the present obstacles to their intercourse." This may all be true and undoubtedly is true; but it furnishes no reasons for the adoption of a policy that must be of great injury to other important interests in this country, and involves the surrender of millions of dollars by way of duties now paid, putting it in the most favorable light, for the benefit of the "Canadians and our merchants and forwarders."

We are advised by those who advise the taking a "broad national view of the question" that the difficulties now existing between the

two countries may all be solved by the adoption of the principles of the Zollverein or Prussian confederacy of the German states, the principles of which are, that there shall be entire and unrestricted freedom of imports, exports, and transit among all the states which belong to the confederacy. But it must be borne in mind that the conditions upon which an arrangement would be admissible between the independent German states, and prove beneficial there, do not exist between the United States and Canada, and without which such an arrangement could not be tolerated anywhere. Throughout the German confederacy the conditions of labor are essentially alike, that is, the price of labor is the same all over. Little raw material is exported; manufacturing is an important industry, and the cost of manufactured goods is the same in all parts of the confederacy. So there seemed to be nothing in the way of a free and unrestricted commerce among those states.

But the conditions of labor in this country and in Canada and in England, who does the manufacturing for the Canadians, are not the same, labor being much the highest in this country. Consequently the cost of the products of this country and Canada are not essentially the same, costing less in Canada than here, resulting in cheapening products in this country through a cheapening of the price of labor. Another consideration in favor of the Zollverein among the German states is found in the fact that the people of those states are one people, governed by the same system of government, a consideration absent in the relations of this country and Canada—one a monarchy, whose people have hitherto failed to appreciate republican institutions.

Mr. Speaker, I have thus attempted to state my opposition to any treaty with the Canadian provinces which shall permit the introduction of their farm and forest products free of duty, and I am also opposed to the appointment of any commissioners with a view to any such treaty, because I believe the scheme is pregnant with mischief to the people of this country. The present system is wholly in the interest of Canada and eastern merchants and forwarders, and ought to be revised to the practical exclusion of Canadian farm and forest products, because the admission of such products rob our own producers of a market at home, in the right to which they ought to be protected. Mr. WARD says that the "Canadians have it in their power, and it could be no just cause of complaint by us, to adopt our scale of duties. The effect of which would be to inflict serious injury on our manufacturers, by excluding their products from the Canadian markets." Does anybody suppose the Canadian tariff is arranged in our interest, or that our interest will be consulted in its revision or continuance, or that it will not be increased or diminished as the interests of that country may require? If it is true, as stated by the gentleman, that a large portion of the manufactures we export "so extensively" to Canada, such as copper, brass, lead, cotton, &c., are admitted free of duty, or at a mere nominal duty of 5 to 10 per cent., and that those charged at higher rates than 17½ per cent. are few in number and insignificant in quantity, how much more of these products would we export there under free trade? According to the gentleman's own showing there is little or no obstruction in the way of our manufactures now; if the demand is not fully supplied, why do not our manufacturers supply it? The tariff is not in the way, for if they are able to export so "extensively" to Canada and pay the present duties, it is not easy to perceive why they do not supply the full demand there. If profitable to supply a portion, why not the whole demand? The reason of course, cannot be found in the tariff regulations, because a rate of duties that would exclude the supply of the entire demands of the country would exclude the supply of a part. No the truth is, there is practically no restriction on the introduction of American manufactures into Canada; but the trouble is, that, except in certain products, the English manufacturer can undersell us, and in those exceptional products we sell there now under existing regulations all we should be able to sell if there were no duty at all.

Nothing is expected in the way of free trade in manufactured goods while present relations exist between Canada and the mother country, but I desire the laboring-men of this country to understand that this is a move wholly in the interest of the Canadian producer of farm and forest products, and "forwarders and merchants" in the eastern markets, which, if consummated, must result in the serious injury of all our own citizens interested or engaged in the production of such products. Gentlemen skilled in the jugglery of words may succeed in making it appear to be a matter of national importance, when in fact it is special legislation affecting beneficially particular interests only, but really injurious to a large majority of the people and an innovation upon the long-settled policy of the Government, a species of legislation that deserves the condemnation of all.

The Hawaiian treaty legislation I regard as of the same class, designed to affect a particular interest, to wit: the admission of the sugar products of those islands free of duty, resulting in a loss to the Treasury of the duties which would otherwise be collected, while the amount thereby let in free of duty would be too small to cheapen the price in this country, putting the amount of the duties, be the same more or less, into the pockets of the producer. Why levy any duties at all if these exceptions are to be made, for which there is no more excuse than there would be in removing all duties. I would not object to the removal of all duties on articles needed by us, and of which we have an insufficient supply of our own productions; but

in view of the well-known ability of our own people to more than supply the consumption demanded, I am at a loss to understand the meaning of the gentleman in the assertion that "by opening trade with Canada we should furnish our people with a more abundant supply of the necessities of life." I hope the resolution will not be adopted. All such projects are best nipped in the bud. Its adoption will be the entering-wedge to still further consideration, for means will be found to induce a favorable report, and plenty of plausible arguments in its support will be offered here, and I feel there is danger that the interests of the humble class of citizens, injuriously affected by this measure, may be subordinated to the interests of the more opulent and powerful, who will be benefited by it.

From the beginning of the world, we might almost say, the only labor interest wholly without concert or coherence as to its own was the farming. It was like a school of herring, preyed upon by vultures and sharks. All form of enemies watched eagerly the growth of the prey, and each levied toll as the myriads passed along. The little fish were unconscious that their combined strength would make them a match for all enemies combined. So with farmers. Divided, they have been feebleness itself; united, they have the strength of giants, and when they so will are masters of the situation, whatever they undertake.

In conclusion, sir, I express the hope that the folly of another reciprocity treaty with Canada is not to be perpetrated, but that we shall adhere to a sounder social science, by encouraging a domestic commerce in preference to a foreign trade involving the sending of our raw material out of the country and bringing back in return the same material in manufactured goods.

Let us by every means within our reach strive to increase our domestic manufactures, thereby increasing the number of consumers at home, diversifying as much as practicable the employments of the people, so that producers and consumers may be brought as nearly together as possible, that production and consumption may follow each other closely, thereby economizing labor and affording every person an opportunity of devoting himself to that kind of employment for which he is best suited. The more highly diversified the labor of a country is the more profitable it is, because it permits the employment of every person in the particular kind of business for which he is best adapted. Let us imitate as far as practicable the policy which has made France more independent in a commercial sense than any other country on the face of the globe, because she has held to the protection of her own people against unjust and unfavorable competition, while at the same time, by a wise and judicious system of impost duties, she so encouraged the growth of articles of which she stood in need as to make her independent of all nations in the necessities of life. Said a celebrated French statesman, in speaking of the policy so successfully followed by his government:

Every nation owes it to itself to seek the establishment of diversification in the pursuits of its people, as Germany and England have done in regard to cotton and wools, and as France herself has done in reference to so many and so widely different departments of industry. It is the accomplishment of a positive duty, which requires the government so to act as to favor the taking possession of all the branches of industry whose acquisition is beneficial to the people.

We have within our borders the elements of a most diversified industry, only requiring a proper appreciation of the benefits springing from their utilization, with such encouragement as a wise governmental policy would impart to enable us to use up in our own country its raw productions and export only the manufactured article, made more valuable from the labor bestowed upon it, at the same time reducing its bulk and consequently the cost of transportation, and in addition increasing the home consumption of our breadstuffs. It is an axiom in political economy that the exporter of raw material pays all expenses incident to a separation of producers and consumers. The wheat-grower of Minnesota pays for taking his wheat to the European consumers. And all experience proves that those people are prosperous and constantly advancing in wealth and a real civilization who work up their raw products at home; while those nations whose policy has been to export the raw productions of its people for somebody else to manufacture and sell back to them at an immense increase in value, the cost of manufacture, a sort of selling a whole hide for a shilling and buying back the tail for a dollar, have constantly grown poorer. This is shown in the condition of the cotton States before the war. The planter was constantly exporting cotton and tobacco, the raw results of mere brute labor, paying in addition to the cost of transportation of such weighty and bulky product all the risks and expenses incident thereto, resulting in impoverished soil and abandoned fields. On the other hand, the working up of the raw material at home and sending abroad the manufactured product will render the cost of transportation unimportant, while a diversified industry will convert those abandoned wastes into fertile fields.

See the progress France has made under the influence of a policy which encourages home manufactures and thereby creates home markets. In 1830 she had a population of 30,000,000, in round numbers, and in that year exported one hundred million dollars' worth of products, or about \$3 per head of population. During the succeeding thirty years, under a system prohibiting importations, her exports grew to \$11 per capita. Since the close of her war with Germany, under a protective tariff, her exports have been:

In 1871.....	\$573,000,000
In 1872.....	736,000,000
In 1873.....	760,000,000
In 1874.....	774,000,000
In 1875.....	800,000,000

During this latter period she has paid out of the industries of her people a thousand millions of dollars to Germany, and is to-day the most prosperous nation in all Christendom. Her laborers are not idle, loafing about her halls of legislation begging for labor, but have employment that feeds and clothes them well. With about the same population, half our people are idle; with an abundance of all the elements of prosperity, we utilize but few of them; with a productive capacity unequaled, we buy more than we sell, and consequently we are poor. And do not let us intensify the evils by the initiation of a policy the tendency of which is to make us hewers of wood and drawers of water to other nations.

Mr. Speaker, I feel great interest in the proposition under discussion, because the people of my district are largely interested in producing farm and forest products. The only home market the farmers have is that afforded in the lumbering districts, and because I believe that the only object expected to be accomplished by those who are urging it is the admission into this country of the farm and forest products of Canada free of duty.

#### Equalization of Bounties.

### SPEECH OF HON. G. L. FORT,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

June 20, 1876.

On the bill (H. R. No. 581) to equalize bounties to soldiers who served in the late war for the Union.

Mr. FORT. Mr. Speaker, sooner or later the chief provisions of this bill ought to be and will be enacted into law. And why should it be longer delayed? Hope deferred has already made the heart of the soldier sick. In the most part, the soldiers who are so justly entitled to the bounty provided for by this bill are poor men. They have earned this money many years ago. They gave the strength of their youth and manhood voluntarily, cheerfully, and heroically. We have had their service, the value of which to the country and to posterity cannot be computed in dollars and cents. They have patiently waited without murmur the sitting and rising of Congress after Congress until now, and here we are this 20th day of June, 1876. Our nation is within a few days of being one hundred years old, and it seems to me that if we are ever to discharge this obligation it is now indeed about time to begin; or if we do not intend to redeem the good faith of the Government in this behalf, we ought to frankly say so to the frank, brave soldiers, and let them know, and the widows and minor heirs of the deceased soldiers know, that, while we will pay the bondholder to the uttermost farthing and pay claims for property destroyed, yet we do not intend to pay them. Their services made it possible for the Government to pay the bondholder and pay for property destroyed. Yet for these services and for health destroyed the poor bondless soldier shall not be paid.

It is urged by many here among us that the financial affairs of the Government are such that it cannot meet this payment now, and thus in effect say that this demand, no matter how just and equitable, must be postponed without day or be repudiated outright. They say the country is in debt, and that to carry out the provisions of this bill would take from twenty to thirty millions.

Mr. Speaker, these are, in my judgment, weak and unsatisfactory reasons for refusal to pay or to delay. We may not have the money, but we can borrow it. Our credit is above par in gold, and is better abroad in the money markets of the world than it is at home; and if we can do no better, we can issue bonds payable in currency, and, in my judgment, not a single soldier whose honored name ever adorned the muster-rolls of his country will refuse to take them because not to be paid in coin.

Mr. Speaker, it seems to me very ungracious for the Government to decline to adjust this matter now. Had these soldiers been paid their money at the proper time and invested by them as they had a right to do it would have at least doubled by this time, and had we borrowed the money then and paid interest on it till now, we would have had to pay much more than we now will. These soldiers do not demand or expect interest, but simply to receive what was due them years ago. And of their patient waiting it does not become us to complain. If we can pay now what we ought to have paid long ago we should be more than content, and should cheerfully and at once go about our duty and adjust these meritorious claims with all convenient speed.

Mr. Speaker, I would appeal to no party feeling. No republican can hesitate, and no democrat can longer defer to do equity and justice to a class of men equally honored by both political parties.

Mr. Speaker, a moment's reflection, it seems to me, will bring every fair mind to the conclusion that the claims of these soldiers are just, and that in honor we must pay them. Our great country cannot disregard its duty, and must protect its honor.

It sometimes seems to me that by mistake or design many of our laws discriminate against the most just and equitable class of cases,



and often by the interpretation of our laws the poorer and most needy and meritorious citizens are wronged, while we with great care and without delay provide for our larger creditors. This is not intended, but comes only by accident, and because the smaller claimants do not press and importune payment.

Mr. Speaker, the volunteers who come forward on the first sound of alarm, as does the faithful fireman, and who rushed without taking thought of his home, his dear ones, or his worldly affairs, but thinking only of the impending peril to his country, as a rule got little and many of them no bounty.

They enlisted without hesitation for the war. It took no drumming and firing to get them into line, and many of them never lost a roll-call until the last armed foe surrendered. Later the Government found it necessary to offer large bounties to bring out men fit for war, and those who came at the eleventh hour received more than those who had borne the heat and burden of the day. This is not according to Scripture and is not gospel. As it is written in those days, the laborers in the vineyards who come at the eleventh hour received the same pay as did those who labored the whole measure of time. This is true, but it will be observed that they did not receive more pay, as did the eleventh-hour soldiers in our service. It might have been according to Scripture to allow them as much, but it is certainly not therein taught that they should receive more pay.

Mr. Speaker, the application of our bounty laws has worked such manifest inequality and injustice, that soldiers might well have complained, and the wonder is they did not. A good, true soldier is not apt to find fault with his country. He is apt to think that whatever his country does is right, and he is always for his country, right or wrong. But, Mr. Speaker, that is no reason why their country should misuse them. We in all fairness owe them this bounty, and let us not delay payment longer. Many of them have long since passed the meridian of life, and with unsteady step and unhalting march they approach their last bivouac. Their once bright uniform is now worn and threadbare, and their rations in their haversacks are scant. Whatever they have on this earth they must have soon, and they need it now. And can a generous people, rich in the fruits of their suffering; can our great Republic, with credit unquestioned and resources unbounded, look upon this march-worn, battle-scarred veteran host and say, "We have had your services during the best years of your manhood, for which we owe you a few dollars; but we never intend to pay you." Never; no, never! forty millions of people say, and so let it be recorded by every member on this floor.

The Geneva Award.—Honest Faith the Nation's Supreme Need.

## SPEECH OF HON. B. A. WILLIS,

OF NEW YORK.

IN THE HOUSE OF REPRESENTATIVES,

July 1, 1876.

The House having under consideration the bill (H. R. No. 9685) reported by the Committee on the Judiciary for the distribution of the unappropriated moneys of the Geneva award—

Mr. WILLIS said:

Mr. SPEAKER: The discussion inaugurated by my honorable colleague, Mr. LORD, possesses rare interest, far exceeding that which any question of local concern can excite. It relates to action on the part of the United States Government bearing upon the disposition of a trust fund placed in its possession by award and decision of arbitrators pursuant to the treaty of Washington. Fidelity to international obligations, the maintenance of national honor by strict regard to the behests and conditions imposed by such award and decision, are the grave questions to be determined by the action of Congress upon the pending bill. It becomes us to accept as an appropriate rule of our conduct in this matter the decision of the Supreme Court, pronounced by Associate Justice McLean in these words:

The action of a sovereign state will be characterized by a more scrupulous regard to justice and by a higher sense of morality than belongs to the ordinary transactions of individuals.

Noble words these and fitly spoken then, but far more needed now, when vice is so rampant and corruption so thoroughly infused in all the channels of commerce and government that simple virtue has scarcely a single worshiper.

### STATEMENT OF THE CASE.

Mr. Speaker, my honorable colleague has aptly stated what occurred before the Judiciary Committee, the classes of claimants who presented themselves, and some of the facts which serve to illustrate the history of what are known by the generic term of "the Alabama claims." He has failed, however, and that, too, utterly, to give place and prominence to those essential facts which constitute the *res geste* of the case, and out of which arise the legal and moral obligations of the United States Government. To do this is the province I have assigned myself. It shall be my labor to exhibit the precise relation which the Government sustains to the fund paid pursuant to the award made by arbitrators at Geneva.

It is quite a labor of supererogation to recite all the facts of history which are in any way, directly or indirectly, connected with the transaction. I will confine myself to a recital simply of such as specially serve to characterize it.

During the war of rebellion, confederate cruisers roamed over the sea which were built in English ship-yards and were coaled at English harbors; they committed depredations upon American commerce; destroyed American shipping; multiplied risks to such an extent that premiums were enhanced, the war prolonged, and its costs enlarged incalculably, so that every American citizen—the whole country—suffered loss.

Pending war, when the people were absorbed with its grand problems and intent only on the salvation of an imperiled Republic, they slept upon their rights, the Government contenting itself simply with forwarding claims of its citizens and entering its occasional protests. But when rebellion was suppressed and arms silent, urgent steps were taken; Great Britain was summoned to answer for its responsibility in permitting confederate cruisers to be built and launched as a curse upon the seas to blight and destroy. Negotiations were entered into with a view of ascertaining the exact measure of such responsibility.

Succeeding the outbursts of fierce hate, of cries for vengeance into which the country in a moment of frenzy and resentment indulged, came a calm, intelligent desire on the part of the better elements of the two nations to adjust amicably and permanently all existing grievances and differences between them. Such desire found expression in what is known as the treaty of Washington, which constituted the most glorious victory of peace achieved in the history of the world, not surpassed by that great victory of war which determines the perpetuity of our Republic. The former was a fitting sequel of the latter: First, the brotherhood of man; second, the brotherhood of nations. Such treaty contained everything that the keenest, most scrupulous sense of honor on our part demanded; it expressed regret for wrongs committed; it provided an ample, satisfactory mode for the redress of such wrongs; it prescribed the rules which should control the adjudication.

Here is the language of the treaty in so far as it has special reference to the purpose of my argument:

### ARTICLE I.

Whereas differences have arisen between the Government of the United States and the government of Her Britannic Majesty, and still exist, growing out of the acts committed by the several vessels which have given rise to the claims generically known as the "Alabama claims;" and whereas Her Britannic Majesty has authorized her high commissioners and plenipotentiaries to express in a friendly spirit the regret felt by Her Majesty's government for the escape, under whatever circumstances, of the Alabama and other vessels from British ports, and for the depredations committed by those vessels:

Now, in order to remove and adjust all complaints and claims on the part of the United States and to provide for the speedy settlement of such claims, which are not admitted by Her Britannic Majesty's government, the high contracting parties agree that all the said claims growing out of acts committed by the aforesaid vessels, and generically known as the "Alabama claims," shall be referred to a tribunal of arbitration, to be composed of five arbitrators, to be appointed in the following manner, that is to say:

### ARTICLE VI.

In deciding the matters submitted to the arbitrators they shall be governed by the following three rules, which are agreed upon by the high contracting parties as rules to be taken as applicable to the case, and by such principles of international law not inconsistent therewith as the arbitrators shall determine to have been applicable to the case:

### RULES.

A neutral government is bound—

First. To use due diligence to prevent the fitting out, arming, or equipping within its jurisdiction of any vessel which it has reasonable ground to believe is intended to cruise or to carry on war against a power with which it is at peace; and also to use like diligence to prevent the departure from its jurisdiction of any vessel intended to cruise or carry on war as above, such vessel having been specially adapted, in whole or in part, within such jurisdiction, to warlike use.

Second. Not to permit or suffer either belligerent to make use of its ports or waters as the base of naval operations against the other, or for the purpose of the renewal or augmentation of military supplies or arms, or the recruitment of men.

Third. To exercise due diligence in its own ports and waters, and, as to all persons within its jurisdiction, to prevent any violation of the foregoing obligations and duties.

And the high contracting parties agree to observe these rules as between themselves in the future, and to bring them to the knowledge of other maritime powers, and to invite them to accede to them.

### ARTICLE XI.

The high contracting parties engage to consider the result of the proceedings of the tribunal of arbitration and of the board of assessors, should such board be appointed, as a full, perfect, and final settlement of all the claims hereinbefore referred to; and further engage that every such claim, whether the same may or may not have been presented to the notice of, made, preferred, or laid before the tribunal or board, shall, from and after the conclusion of the proceedings of the tribunal or board, be considered and treated as finally settled, barred, and henceforth inadmissible.

Having adduced the evidence of this fact, the United States will next endeavor to indicate to the tribunal of arbitration what they deem to have been the duties of Great Britain toward the United States in respect to the several cruisers which will be named in this paper.

Such is the treaty.

Then the high court of nations is duly appointed, assembles at Geneva, and organizes. The high parties litigant appear through agents and able counsel and present pleas; both those growing out of wrongs done to the nation and wrongs done to its citizens.

By the terms of the treaty just read all claims growing out of the acts committed by the Alabama and other vessels, which in any manner had escaped from British ports, were submitted for arbitration.

## RESULTS OF ADJUDICATION.

England interposed a demurrer on the ground that by the intent and scope of the treaty of Washington the claims for indirect damage, as here indicated—namely: a, The loss of commercial marine to the American flag; b, The enhanced payments of insurance; c, The prolongation of the war and consequent additional cost—should not be entertained or allowed.

The demurrer was sustained.

Had the United States insisted upon their further consideration the arbitration would have been dissolved, and a grand stride toward universal peace would not have been taken.

But the agent of the United States telegraphed Secretary Fish, June 19, 1872:

We are of the opinion that the announcement this day made by the tribunal must be received by the United States as determinative of its judgment upon the question of public law involved, upon which the United States have insisted upon taking their opinion.

The tribunal, you will observe, had determined adversely to these indirect claims, and the United States had insisted upon the opinion being rendered.

Let no member of this House, in the presence of such irrefutable testimony, pretend that these indirect claims were not rejected by the tribunal after due consideration.

Listen further: On June 22, 1872, Secretary Fish telegraphs to the United States agent, in reply to the dispatch already read:

I have laid your telegrams before the President, who directs me to say that he accepts the declaration of the tribunal as its judgment upon a question of public law which he felt that the interests of both governments required should be decided, and for the determination of which he had felt it important to present the claims referred to for the purpose of taking the opinion of the tribunal.

You will note the language of this dispatch. The President accepts a declaration of the tribunal's judgment. He felt it important to present the claims referred to. But note further. The same telegram contains this unmistakable language:

We had no wish for a pecuniary award, but desired an expression by the tribunal as to the liability of a neutral for claims of that character. (Meaning indirect claims.)

The President therefore further accepts the opinion and advice of the counsel as set forth above, and authorizes the announcement to the tribunal that he accepts their declaration as determinative of their judgment upon the important question of public law upon which he had felt it his duty to seek the expression of their opinion; and that, in accordance with such judgment and opinion, from henceforth he regards the claims set forth in the case presented on the part of the United States, for loss in the transfer of the American commercial marine to the British flag, the enhanced payment of insurance, and the prolongation of the war, and the addition of a large sum to the cost of the war, and the suppression of the rebellion, as adjudicated and disposed of; and that consequently they will not be further insisted upon before the tribunal by the United States, but are henceforth excluded from its consideration by the tribunal in making its award.

FISH.

After such a declaration from the Chief Magistrate, in terms so explicit that, had we not been familiar with past legislation on this subject, had we not read the report or listened to the argument of my honorable colleague, we would have deemed it impossible for any intelligent man to insist that such indirect claims had been waived or withdrawn. We will go still further in this direction. What did the tribunal actually do upon the reception of the foregoing dispatch? You will find in protocol 7—the same being a record of the proceedings of the 27th of June, 1872,—that Count Sclopis, on behalf of all the arbitrators, then declared that the said several claims for indirect losses, to wit, (see protocol 6:)

First. The loss in the transfer of commercial marine to the British flag.

Second. The enhanced payments of insurance.

Third. The prolongation of the war, and the addition of a large sum to the cost of the war and the suppression of rebellion—

Are and from henceforth shall be wholly excluded from the consideration of the tribunal, and directed the secretary to embody this declaration in the protocol of this day's proceedings.

Mr. Speaker, before this determination was had, before it was accepted as binding and conclusive by the high contracting parties, Cushing, Evarts, and Waite had exhausted all the resources of their lore, their logic, and their eloquence, far overmatching their competitors, in enforcing the justness of these indirect claims, they were attentively heeded by willing, admiring judges, but to no purpose; the arbitrators calmly and firmly rejected the claim. The United States acquiesced in their rejection; acquiesced in the understanding that our Government was not to recover money for such a purpose. The arbitrators, in arriving at their judgment respecting these claims, were controlled by rules contained in the sixth article of the treaty of Washington and such principles of international law as are not inconsistent therewith. The rules are already quoted.

## IMMORALITY OF PAYING REJECTED CLAIMS.

Now, we have the liability of the British government in the premises clearly defined; determined acceptably to both governments. The indirect claims are distinctly announced as not being sustainable either by virtue of the treaty or of any principle of international law; and yet we confront a demand that moneys obtained on account of claims which were specifically allowed, which in the high court of nations had been solemnly adjudged as proper, upon which the award itself was predicated, shall be appropriated, now that we have by

fraudulent contrivance and device obtained control of it, to the payment of claims admittedly unfounded, and which by solemn decree, pursuant to solemn treaty, have been solemnly adjudged illegal and without warrant in international law. What words can be employed in depicting the infamy of such an act?

The nation, exultant that such claims had been declared illegal and boasting the advantages to accrue from such an adjudication, through its Congress enacts a law in direct antagonism to the judgment of the tribunal and in violation of every sentiment of honor and justice. Why, the United States disdainfully stated they desired no pecuniary award on their account. In the correspondence the Secretary of State (see volume 11, treaty of Washington, page 476) writes that we should be content with an award that a state is not liable in pecuniary damages for the indirect results of a failure to observe its neutral obligations.

Any other decision would have been prejudicial to the interests of our Republic. A nation whose sphere for the next century will be neutrality and belligerency will be its exceptional condition.

## CHARACTER OF THE MAJORITY PROPOSITION.

Mr. Speaker, the turpitude of the pending bill amazes one who has any moral sense at all: obtaining money in trust for the payment of claims specifically allowed, and then employing it to satisfy claims specifically disallowed. The sophistry of the report which tends to justify its conclusions is thinner than a gossamer wing. It urges or tends to urge that these claims were not adjudicated but abandoned; that in consideration of their abandonment the United States received certain advantages in the negotiation, and that thereby the citizens who paid enhanced premiums of insurance made a sacrifice which it became the duty of the Government to requite. This reasoning is delusive, were it true in itself. It would have no applicability; for sums of money would be diverted and appropriated contrary to the letter of the trust money intended for other definite purposes. But this is the admirable logic of the report; and if the arbitrators decide in favor of the indirect claims, it will inure to the advantage of a few gentlemen who claim war premiums, but will prejudice us as a neutral nation and injure thereby forty millions of our people, if the arbitrators decide adversely to the indirect claims.

Why, it will benefit forty millions of people, and it will not interfere with the rights of the gentlemen who claim war premiums. We will take care of them, say the Judiciary Committee; they shall be beneficiaries, law or no law. Happy claimants of the war premiums! Ingrates if you do not praise the Lord for such zealous friends!

Mr. Speaker, perhaps I have dwelt overlong on the question of good faith upon the part of the Government before stating with proper precision the particular questions which are to be settled in this discussion. The character of our claim against Great Britain, the mode of determining damages due the United States, the rejection by the arbitrators of indirect claims, including claims for enhanced premiums of insurance, and the acquiescence of the high contracting parties in such rejection, and finally that such rejection was a determination forever barring such claims, as the language of the treaty expresses it, are facts incontestably established.

## THE RELATION OF THE GOVERNMENT TO THE FUND.

The trusteeship of the Government is a fact no less susceptible of demonstration, so far as these claims for money awards are concerned. The money claims of the Government were rejected, as already indicated; they came under one or the other of the following heads:

For transfer of commercial marine to the English flag.

For additional cost in suppressing rebellion.

For expense in pursuing the cruisers.

The United States, as already shown, submitted these claims; they were adversely determined by the tribunal, and such decision rejoiced in by our Government as one specially favorable to its probable position of neutrality. The Government no longer had any pecuniary interest in the controversy.

Such decision was not the result of a bargain, of shrewd calculation—a tacit waiver for an equivocal consideration; it was the deliberate judgment of illustrious judges, representing the majesty and dignity of empires, upon certain issues presented, honestly and fairly, according to the rules provided in article 6 of the treaty of Washington, and the principles of international law not inconsistent therewith.

Tables of American claims were presented and accepted as elements of damage sustained by citizens of the United States. Details of evidence were analyzed in determining which particular cruisers should be inculpated and which exculpated. Extreme particularity in the findings is a feature of the award.

No money award was made to the nation. Any moneys intrusted to the Government were intended for the satisfaction of claims due to American citizens, as determined by the tribunal.

## SUMMARY OF POINTS DECIDED BY THE TRIBUNAL.

Let the award be produced; let the decision be exhibited.

After first declaring certain vessels to be inculpated, holding that Great Britain in such instances failed by omission to fulfill duties prescribed in the first, second, and third of the rules established by article 6 of the treaty of Washington, they decide that the United States are not entitled to indemnity for costs of pursuing the cruisers; they decide that prospective earnings cannot properly be made the subject of compensation, inasmuch as they depend in their nature upon future and uncertain contingencies; they decide that all double claims



for same losses shall be set aside, and also all claims for gross freights, so far as they exceed "net freights;" that it is preferable, in accordance with the spirit and letter of the treaty of Washington, to adopt the form of adjudication of a sum in gross, rather than refer the subject to a board of assessors, pursuant to article 10 of the treaty; that \$15,500,000 in gold be paid as indemnity by Great Britain to the United States for the satisfaction of all the claims referred to the consideration of the tribunal, conformably to provisions contained in article 7 of the said treaty; that each and every one of the said claims, whether the same may or may not have been presented to the notice of, or made, preferred, or laid before the tribunal, shall henceforth be considered and treated as finally settled, barred, and inadmissible.

The claims in the American case were classified as follows, to wit:

1. The claims for direct losses growing out of the destruction of vessels and their cargoes by the insurgent cruisers.
2. The national expenditures in the pursuit of those cruisers.
3. The loss in the transfer of the American commercial marine to the British flag.
4. The enhanced payments of insurance.
5. The prolongation of the war and the addition of a large sum to the cost of the war and the suppression of the rebellion.

So far as these various losses and expenditures grew out of the acts committed by the several cruisers, the United States are entitled to ask compensation and remuneration therefor before this tribunal.

The claims for direct losses growing out of the destruction of vessels and their cargoes may be further subdivided into: 1. Claims of destruction of vessels and property of the Government of the United States; 2. Claims for the destruction of vessels and property under the flag of the United States; 3. Claims for damages or injuries to persons growing out of the destruction of each class of vessels.

Is it still an open question what claims were allowed by the Geneva tribunal?

Verily, that grand court, where met republic and monarchy each the most commanding and enlightened on earth, to have differences adjusted and grievances recompensed under auspices so peculiarly grave, was after all a solemn farce. Evarts, Cushing, and Waite were joking when they urged indirect claims; they winked at the arbitrators, and intimated they did not mean what they said; it was a game of bluff, where certain proofs were exhibited to create an impression that certain parties were to be paid for injuries, when in reality the moneys were intended for another purpose.

How transcendent and exalted such purity! How splendid such diplomacy! It would be obtaining money under false pretenses. Should an individual in ordinary business resort to such methods he would be condemned to social outlawry.

#### PLEA OF GOVERNMENT OWNERSHIP INVALID.

Mr. Speaker, wrongs are rarely urged unless fortified by plausible pretext. Not so in this instance. A pretext is set forth, but it is utterly wanting in plausibility. It consists in the allegation that the payment of the money in a gross sum vested the same absolutely in the United States, subject to their arbitrary disposition.

This position is not tenable for an instant.

First. The actual proofs, weighed by the arbitrators and accepted as pertinent to the issues, having reference only to the losses of private individuals by certain cruisers, namely, the Alabama and her tenders, the Florida and her tenders, the Shenandoah, after leaving Melbourne, give exact shape and direction to the award.

Second. The language of the American case, where the exact reasons are stated why an award of a sum in gross was desired, as follows:

They earnestly hope that the tribunal will exercise the power conferred upon it to award a sum, in gross, to be paid by Great Britain to the United States. The injuries of which the United States complain were committed many years since. The original wrongs to the sufferers by the acts of the insurgent cruisers have been increased by the delay in making reparation. It will be unjust to impose further delay, and the expense of presenting claims to another tribunal, if the evidence which the United States have the honor to present for the consideration of these arbitrators shall prove to be sufficient to enable them to determine what sum, in gross, would be a just compensation to the United States for the injuries and losses of which they complain. (Case of the United States, part 6.) To save delay and expense, and to exhibit generous confidence in our Government, induced the arbitrators to respond favorably to the plea.

Third. The official statement of the agent of the United States, made to the tribunal, as follows:

The object of the treaty is to indemnify the United States for the losses suffered by their own citizens, and not to impose a part of that indemnification upon the United States themselves.—Volume 4, page 43, of the papers relating to the treaty of Washington.

Fourth. The tribunal, having determined as to the vessels incriminated, examined and scrutinized the schedules and estimates of individual losses presented by the United States, including claims of insurance companies, and, on the inspection thereof, awarded a sum in gross which they conceived to be sufficient to afford a just indemnity to the citizens so injured. The evidence relating to this point, making it unassailable, is found in volume 3, page 579, of papers relating to the treaty of Washington, containing a statement of the agent, with reference to certain tables, which contain a list of the vessels and cargoes destroyed by the incriminated cruisers and the amount of claims in respect of each, including the amounts of insurance thereon, couched in the following language:

The claims on the part of private individuals, thus computed, verified, and submitted, are supported by all the guarantees of their good faith and their validity,

as well for their general amount as for the other facts concerning them which governments are in the habit of requiring in such cases from their own citizens. It thus appears that these computations show the entire extent of all private losses which the result of the adjudications of this tribunal ought to enable the United States to make compensation for.

Fifth. If the tribunal had not awarded a sum in gross the distribution would have devolved on a board of assessors, who would have heard each particular claimant in such cases as it had been determined by the arbitrators England was guilty, and according to the measure of damage by them prescribed. That the assessors would review and set at naught the decree of the tribunal from whom they borrowed their power, to which they would be subordinate, is a senseless proposition.

Yet the United States Government were endowed with the precise powers that would have devolved on the assessors; none beyond. The reasons for imposing such duty on our Government are embodied in the argument of American counsel just quoted from.

Sixth. The action of the United States under direction of the very officials who conducted the negotiations, the Government binding itself to pay the Secretary of State in trust, and to pay interest on the amount; the constitution of a court and a partial distribution among sufferers, to the extent of a decree at least—such is the enumeration of facts out of which a trusteeship on the part of our Government arises. Either of these facts would suffice to create a trust.

#### THE ARGUMENT OF FORCE AND INJUSTICE.

The only argument that can be preferred in favor of the proposition that the award is the absolute property of the Government is that it is in the Treasury and it has the physical force to appropriate it. Such is the argument in a minority report signed by one member of the Judiciary Committee. He logically demands that the sum be covered in the Treasury of the United States and applied to the payment of the national debt. The majority report, planting itself on the same ground, ignoring all the determinations of the tribunal, all the arguments of American counsel, all the declarations of the State Department, sanctioned by the President and Senate, insists on distributing the money, not among all the people who equally suffered by a prolongation of the war and the mountainous debt; not to the nation's defenders, by whose valor a flag was saved from pollution, a Republic from absolute wreck; not to the foundation of grand charities, where the maimed soldiers, the widows and orphans of those who have fallen might obtain succor, but among the individuals who paid enhanced premiums of insurance and those also who suffered from depredations committed by exculpated steamers. Consummate wisdom! They say the fund belongs to the Government! The claims were rejected as illegal, but they must be paid. Such marvelous affection for a class, without any apparent reason for sympathy or sentiment, is not comprehensible to ordinary intelligence.

Socrates, by dint of long association, learned to bear with Xantippe, but he never became infatuated with her. In this case the power of association is mightier; the infatuation is complete.

Gentlemen, if you but knew the attitude the United States would occupy, if after consenting, acquiescing, exulting in a determination involving the rejection of certain claims, it should recognize their validity and pay them to the exclusion of others the validity of which have been acknowledged and moneys paid with a view of discharging the same, you would scorn this bill.

If Congress should pass this law, it can be justly said that our officials do not reflect the average moral sense of the people, for such a breach of moral obligation would not find toleration in any business community.

Mr. Speaker, equities doubtless there are belonging to those gentlemen who paid premiums for war risks, and still more so to those who suffered direct losses inflicted by exculpated cruisers. I heartily sympathize with them in their losses; regret that the award was not broad enough to make their claims valid; but in view of the circumstances they cannot be entertained for a moment. Supposing Great Britain made a demand upon the United States Government for a claim based on premiums paid for war risks by its citizens, or losses such as I have referred to, what would my honorable colleague advise? Would he say, O, yes; certainly; our citizens were paid for like claims, and therefore we must respond to your demands? I think not. He would proudly point to the treaty of Washington and the award made pursuant thereto, and say we bound ourselves to abide forever by their text. We hold you to the letter thereof.

Is it in accord with good judgment to do that which will destroy all the moral effect of the treaty, which will bring to ignoble end a grand event hitherto supposed to have transpired in the interest of peace and higher civilization?

Treaty of Washington, a monument to Christian love, torn down by the bad faith of the great American Republic; its advantages and results ruthlessly and lastingly lost to us all through our future years.

Mr. Speaker, the peculiar relation of our Government relatively to this award and its citizens has been plainly demonstrated. If the Government is a trustee, who are the *cestui que trust*—a question of strict law not dependent on discretion, but nevertheless equities are not absent. It should be judicially determined. From the beginning this has been the error of our Government; instead of directing specific claims to be paid it should have authorized a competent court to determine the validity of all claims, subject to the treaty of Washing-

ton and the proceedings of the tribunal at Geneva, together with the decision and the award there made. We would then have escaped an unseemly scramble in the lobby. Suitors would have plied courts, where they belong, instead of Legislatures, whose business it is to make, not to administer and construe the laws. Having given a competent court jurisdiction, all else could have been better done without the aid or hinderance of legislation; but the mistake has been made, the subject is thrust upon us. We must not shrink from making a just determination without reference to any former action on the part of this body, excepting, of course, cases where judgments are already rendered.

The *cestui que trusts* are those who suffered directly by the ravages committed by inculpatated cruisers, being, first, those who owned the vessels and cargoes destroyed and, second, those subrogated to their rights.

In this remarkable discussion of a question as to the execution of a trust defined accurately and specifically, none among those advocating a violation of the trust has disputed the validity of the claims just indicated. The particular claims proved resulted from the destruction of ninety-four vessels and their cargoes by the Alabama and Florida and their tenders and the Shenandoah after leaving Melbourne; the value of the vessels, their cargoes and earned freight with interest thereon, the arbitrators after careful computation announced to be \$15,500,000, and made the award accordingly. Now, it seems incredible, in the presence of such an adjudication, to suppose any gentleman could doubt that the owners of these vessels and cargoes, or those who, having paid the losses, became subrogated to their rights, are entitled to the award; that the moneys so paid to the United States are held in trust for such a purpose.

The former part of the proposition happily escapes the censure of the Judiciary Committee, that the owners were so entitled. Will the legal skill and wisdom of the Judiciary Committee enlighten us as to the distinction of owners and those subrogated to the rights of owners?

I suppose it is no needful labor to expound the doctrine of subrogation and point out its application in this case. Such right on the part of underwriters was insisted upon by American counsel before the tribunal, admitted by Sir Roundell Palmer, attorney-general of England, and Chief Justice Cockburn, the English arbitrator. No good, conscientious lawyer will deny it.

When a merchant makes a contract of insurance with a company he agrees, upon being paid for his loss, to abandon everything connected with the thing insured to the insurer; to assign to him all right of reclamation—legal paralance, the *spes recuperandi*, the hope of recovery—of the thing lost or any damage from the tortfeaser who occasioned the wrong. The case reported (8 Johnson's Report, page 257, New York) cited by Chief Justice Story with approbation, in the case of *Comegys vs. Vasse*, (1 Peters, page 193, United States,) sets forth the doctrine intelligibly and with an aptness so much in point that its full force will be acknowledged.

One question was whether the jury was at liberty to deduct from the total loss the value of the *spes recuperandi*. The court held they were not. Chief Justice Kent said:

\* If France should at any future period agree to and actually make compensation for the capture and condemnation in question, the Government of the United States, to whom the consideration would in the first instance be payable, would become trustee for the party having the equitable title to the reimbursement, and this would clearly be to the defendants (the underwriters) if they should pay the amount.

This case has wonderful analogy to that of the underwriters in the matter of the Geneva award; it is an exact precedent; as such I commend it to the favorable consideration of gentlemen who advocate the majority report, though they will doubtless give as slight heed to Kent and Story as they have done to Moses. With an ardent desire to enlighten my honorable friends, I will cite also for their instruction the following cases where the right of subrogation as claimed here is amply vindicated: *Randall vs. Cochran*, 1 Vesey, 98; *Watson vs. Insurance Company of North America*, 1 Birney, 47; *Rogers vs. Hosack*, executor, 18 Wendell, 319; *Hull & Long vs. Railroad Companies*, 13 Wallace, 367; *Symonds vs. Union Insurance Company*, 4 Dallas, 417; *Rheulander vs. Insurance Company*, 4 Cranch, United States, 29.

The line of decisions is unbroken. Among the eminent jurists who have spoken in the cases enumerated, are the unrivaled Hardwicke of England, the sturdy Marshall of our own country, maintaining that the insurer occupies toward the insured practically the position of a surety, and in the words of section 635 Story's Equity Jurisprudence, "a surety paying the creditor is entitled to a cession of the debt and a subrogation or substitution to all the rights and actions of the creditor against the debtor; maintaining further, that the insurance company, upon payment of the loss, succeeds to the rights of the owner," that such company is entitled to all the means of indemnity which the satisfied owner held against the party primarily liable in this case—England is such a party.

The owners had a right to recover from England in this case, but no remedy. The United States furnished such remedy; did this and nothing more, save accepting the award in trust for the purposes thereof.

In *Comegys vs. Vasse* it was held—

That an abandonment passes to the underwriters all the claims of the assured against a foreign government on account of illegal capture.

Such was the clear judgment of our Supreme Court.

Mr. Speaker, in view of all these decisions, speaking with one voice, concurring in the correctness of the principle of subrogation as applied to cases involved in this discussion, which affirm also the doctrine of the civil law, it is not strange that those interested in securing the payment of enhanced insurance premiums and losses occasioned by exculpated cruisers should, in their horror for constitutional tribunals in whose temples alone justice is secure, take refuge in this House, and by appeals to false sentiment persuade gentlemen whose manifold duties prevent them from critically examining the legal features of the question to pronounce judgment, in wanton disregard of moral, legal, and international obligations.

There is but one conclusion which an honest judgment can reach: that is that the award belongs to the owners of the ninety-four vessels and cargoes destroyed, or to those who, having paid the owners, are subrogated to their rights; and if the Government in the distribution of the award swerves one hair's-breadth from the faithful fulfillment of its trust it will be guilty of an awful crime against morality, and we will learn but too tardily that "righteousness exalteth a nation."

Mr. Speaker, appeals to prejudice in determination of a legal question where the rights of all the parties are finally adjudicated are unworthy this House and should be visited with pitiless censure, more especially when unfounded.

To whom would these moneys, if paid to the insurance companies, go? Let us see.

The amount of insurance claims aggregate the sum of \$4,002,872, including interest. Mutual insurance companies claim \$2,634,234; stock companies claim \$1,368,629; ten stock companies claiming \$666,691 have failed by reason of great fires in Chicago and Boston.

All the moneys received by the bankrupt companies will relieve the necessities of those who suffered by these severe fires. Will my honorable friends of the Judiciary Committee urge Congress by caprice and stretch of authority to turn away these funds from that undeserving class, all for the sake of equity and justice?

But, Mr. Speaker, nearly three-fourths if not quite all of these claims are preferred by mutual insurance companies; they, by organization, voluntary association, combine and insure themselves against loss. Everything they receive will be divided among ship-owners and cargo-owners. Do they morally, equitably, or logically shift their position as owners when by this voluntary arrangement they insure themselves; are they less owners than before? Is it not a fact that losses and profits by reason of a species of partnership are mutually borne and losses so divided as to operate without harshness upon individuals?

Do not the gentlemen who made the majority report understand that these moneys, if paid to insurance companies, would be returned to the very parties who paid premiums and war risks during the rebellion; during the period when depredations were committed?

In New York State the statute provides for such a distribution.

These are the unconscionable parties whose devoted heads the legislative wrath is to be poured. Such are the people whose rights, more ancient than the Republic, coeval with civilization, are assailed by the majority report of the Judiciary Committee. No sophistry can mislead, no misrepresentation betray; the facts are palpable. But infinitely more important than even these rights is the honor of the Republic.

Mr. Speaker, it is conceded that the payment of war premiums can be justified only by the plea that the ownership of the award vests absolutely in our Government. They were excluded from all consideration by the tribunal; no proofs were proffered. Now I beg to inquire what special ground there is, what reasons there are, what circumstances which sanctify these claims?

We are told they maintained the honor and dignity of the flag; that through their inflexible patriotism our commerce survived the rebellion. Indeed, sir, they are a class of heroes whose history is unwritten. Our annals should blaze with the luster of their deeds, for I would gladly yield devotion and homage to valiant men, to patriots.

What did they do? Well, they paid excessive rates of insurance, and in doing so they exercised their own volition; they entered into a contract without any one dreaming that they were fit subjects for the issuance of a writ of *habeas corpus* inquiring. If they met with losses they were paid in full by the companies; if not, it is fair to assume these disinterested gentlemen made profit. I doubt whether they ever indulged the *spes recuperandi*; the thought, the vulgar, gross thought of indemnity never entered as alloy in their pure patriotism. O, no! this was an after-thought; and if the Judiciary Committee are potent enough it will eventuate a lucky thought. When gentlemen are terribly overweighted with sympathy, I would suggest they considered whether the patriotism of these claimants would not have helped the flag quite as much if it had been expended in our armies or navies as in the peaceful pursuits of trade.

Mr. Speaker, the cruisers inflicted an equal loss on every citizen of this Republic; every soldier was thereby exposed to additional rigors and hardships; additional graves, additional homes made cold and desolate, additional burdens of taxation imposed, attest the loss.

If restraints imposed by the treaty are to be disregarded, if the Government decides to claim it for itself, then let it be distributed among those whose valor on fields of carnage saved a nation's life; let it be distributed in bounties and pensions, or, what is yet more



equitable, let it be covered in the Treasury and divided without partiality among all the people. Do not idly pretend, gentlemen, that your bill rewards patriotism.

In all I have said no disrespect is intended for individuals claiming the enhanced premiums; they rely upon the advice of learned counsel; my arrows are aimed at the shallow argument which does them gross injustice. This bill enacted into a law, France and England involved in war; cruisers fitted out from the harbors of this neutral republic; England knocks at our door; presents claims for war premiums. We say, "Have you forgotten the Geneva award given pursuant to the treaty of Washington?" England will say, "No; but while I remember the smart Yankee trick of the American Republic, which, disclaiming all concern about indirect claims, contrived under the guise of a gross sum to collect and distribute them all."

What a spectacle then would the glorious Republic present! Convicted of treachery to treaty obligations, of misappropriation of moneys intrusted to it in a fiduciary capacity. The tableau would be indeed interesting if my honorable friend and colleague should happen just then to be the Secretary of State.

Perhaps England would say, "We discard the treaty you have violated; we demand damage as though it had never been signed."

What a pitiable plight! Would my honorable friends pride themselves as wise lawyers and considerate legislators? The people would be entirely indifferent about the cost or the size of their head-stones.

If the British Parliament should enact a law declaring the treaty of Washington a nullity, we would invoke upon it the execrations of mankind; and yet we are asked by this bill to do that which in England would be deemed infamous.

Mr. Speaker, there are among those claiming enhanced premiums gentlemen who recognize the meaning of a sacred compact and the national obligation to respect the same, who disdain to receive what does not belong to them. I refer to Grinnell, Minturn & Co., of the city I have the honor in part to represent, who frankly write, in a letter dated January 8, 1874, as follows:

After the decision of the Geneva board of arbitration, disallowing the claims for war premiums, we supposed that all chance of our receiving anything for those claims was ended, and the idea of making an allowance to claimants of this character, by means of taking away from the insurance companies the amounts allowed by the Geneva board in satisfaction of their direct claims for losses of ships and cargoes vested in them as assignees, by abandonment or otherwise of the claims of the original parties, is an idea which certainly never would have occurred to us.

The letter, a part of which I have just read, indicates how this question addresses itself to the commercial mind, which, in obedience to the dictates of intelligent self-interest, always recognizes the full force of honesty and integrity in all business transactions.

In the court of Alabama commissioners, in the case of West vs. The United States, this straightforward language is employed:

Does not national courtesy and good faith require of us to suppose that Congress in creating the court never intended we should distribute the fund other than for the purposes Great Britain supposed she was paying it? Suppose, for instance, Congress had chosen to keep half the fund and convert it into the Treasury of the nation, or had directed this court to distribute it among those who had been injured by the terror and alarm caused by the insurgent cruisers, or among those who had suffered loss by the depredations of rebel cruisers other than the Alabama, Florida, and Shenandoah. In such cases would not Great Britain have had cause to complain that she had been misled, overreached, deceived? Would our Government have been acting in good faith in making such disposition of this fund?

Such were the pertinent queries that occurred to the judicial mind accustomed to weigh and determine under the sanction of an oath! Such are not the pertinent queries that occur to the minds of the majority of our Judiciary Committee, which for their sakes I regret. The Judiciary Committee at least respects its predecessor in the Forty-third Congress. Where the mighty Butler led, it fears not to follow.

The former committee are entitled to the credit of originality, but what honor will posterity award to the present committee?

Mr. Speaker, the majority report is predicated upon a false notion that the claims in question are against the United States. Wherefore their warrant for this conclusion? The United States Government committed no wrong in the premises; no damage occurred by reason of their neglect. The wrongs done for which the award was made resulted from the negligence of England. All claims were against England; the claimants, unable individually to press their demands against a foreign government, invoked their own Government to act as sponsor and agent. On the 22d of September, 1865, the Department of State issued a circular in the following form:

DEPARTMENT OF STATE,  
Washington, September 22, 1865.

Citizens of the United States having claims against foreign governments, not founded in contract, which may have originated since the 8th of February, 1853, will, without any delay which can be avoided, forward to this Department statements of the same, under oath, accompanied by the proper proof.

It is proper that the interposition of this Government with the foreign government against which the claim is presented should be requested in express terms, to avoid a possible objection to the jurisdiction of a future commission on the ground of the generality of the claim. Claims of citizens of the United States against this Government growing out of the late insurrection are under cognizance of other Departments, of the Court of Claims, or are a subject for an appeal to Congress.

Were the majority of the Judiciary Committee cognizant of this letter? Did they note the manner in which the claims were designated; the distinction made between claims against Great Britain and claims against the United States; the instructions given to such

claimants? If so, what an astonishing assumption that the obligation to pay the claims in question devolved upon our Government as such rather than upon it as the custodian of a fund, charged with a duty in making disposition thereof!

The treaty, the proceedings before the tribunal, the records of the Secretary of State, the action of Congress, the arguments in American case, the nature of the matter in itself, are so many proofs, clear and explicit, to the effect that the award was made to satisfy the claims of American citizens against Great Britain, and the United States were intrusted with the task of custody and distribution.

Mr. Speaker, a commanding duty, one of unequaled dignity and consequence, awaits our performance. The rights of the respective parties, whose demands for this award depend upon our action, have already been determined by irreversible decree. We have yielded thereto our acquiescence and expressed therewith our satisfaction. We have accepted a trust subject to its conditions. If we fail in executing it, so as to escape the whisper of censure, better, a thousand-fold, that the treaty of Washington had never been.

What is ill-gotten rarely thrives. Arbitration would henceforth be spurned and discarded as a mode of adjusting international difficulties.

A republic would sink into deserved obloquy, the companion of semi-barbarous nationalities, whose distinction consists in wanton disregard of sacred treaties; a shame on our part infinitely multiplied because of the crime against humanity involved in provoking a frequency of wars.

Whatever scrupulous honor shall demand or strict propriety suggest, let that be done. If rejected claims must be paid, let some other fund be provided. The Geneva award is English money, not ours. To use it as our own would be turpitude. Law, not caprice, should be the oracle.

That our glory may be dimmed by no unworthiness; that the treaty of Washington may be a presage of a holier and happier futurity; that it may be hailed by all the peoples of the earth as a rich, sure pledge of enduring peace among the nations, let this last act on our part, the execution of the trust, be honestly, piously performed.

#### The Geneva Award.

### SPEECH OF HON. E. G. LAPHAM,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

July 6, 1876,

On the bill, (H. R. No. 2685,) reported by the Committee on the Judiciary, for the distribution of the unappropriated moneys of the Geneva award.

Mr. LAPHAM. Mr. Speaker, it is not my purpose to enter upon a detailed examination of the precise mode in which the remainder of the fund in question shall be distributed by Congress among the various classes of claimants thereto. Agreeing in the main upon that question with the views stated by the majority in their report, I shall briefly discuss the question as to the status of this fund and the general duty of the Government in respect to it and its distribution.

Three important ends to the Government of the United States were aimed at and sought to be attained by the Geneva arbitration:

First. An acknowledgment on the part of Great Britain that she had been guilty of a violation of the rights of neutrality and an apology therefor.

Secondly. The establishment of the principle or doctrine that no neutral shall be held liable for indirect or consequential damages in case of a violation of neutral obligations, but only for the direct losses resulting therefrom.

Thirdly. That national grievances may be peaceably and honorably adjusted by the mode of arbitration, so that war and all its attendant evils and sacrifices may be avoided.

In order to accomplish these ends the United States early took the ground no claim for any indirect or consequential damages should be insisted on by the Government, and that, as between Great Britain and the United States, the high tribunal of arbitration were at liberty to pronounce against such allowance as a principle of international law.

In order to accomplish these ends and leave the Government entirely free to act as its interest might seem to dictate, the President, in his message, in December, 1870, recommended the purchase of all individual claims in the following language:

I therefore recommend to Congress to authorize the appointment of a commission to take proof of the amount and the ownership of these several claims, and that authority be given for the settlement of these claims by the United States, so that the Government shall have the ownership of the private claims, as well as the responsible control of all the demands against Great Britain.

Had this been done, it is self-evident the United States would have paid for or become liable to pay to every individual having a claim for loss the amount thereof or such sum as might have been fixed by agreement, and in that event the sum awarded, whatever it might have been would have belonged absolutely to the United States.

Before there was time to perfect and carry out this recommendation of the President it became necessary for the United States to act in the premises, and so great were the promised advantages of the arbitration, that the Government decided to act without acquiring the rights or claims of individuals; and yet, in order to attain those ends, it was necessary that the United States should assume the control of, and the right to release and forever discharge, all such individual claims, as well as those of the Government, and to fully release the government of Great Britain therefrom. Acting in such an emergency and for such high ends, let us see how careful the United States were not to become in any manner committed or crippled in the disposition of the money awarded when it should have been received by us.

In the instructions given by Secretary Fish to Messrs. Cushing, Evarts, and Waite, counsel of the United States, he said:

The President desires to have the subject discussed as one between the two governments, and he directs me to urge upon you strongly to secure, if possible, the award of a sum in gross. In the discussion of this question, and in the treatment of the entire case, you will be careful not to commit the Government as to the disposition of what may be awarded. It is possible that there may be duplicate claims for some of the property alleged to have been captured or destroyed, as in the cases of insurers and insured. The Government wishes to hold itself free to decide as to the rights and claims of insurers upon the termination of the case. If the value of the property captured or destroyed be recovered in the name of the Government, the distribution of the amount recovered will be made by this Government without commitment as to the mode of distribution. It is expected that all such commitment be avoided in the argument of counsel.—*Papers, &c.*, volume 2, page 414.

A gross sum was awarded and received by the United States in full of all claims of every description, and the government of Great Britain was fully and forever released and discharged from all such claims.

It is obvious that here is no case of an express trust. This money was not received or obtained with the privity and consent of any of the individual claimants. On the contrary, the Government, for the reasons I have stated, assumed to treat the entire demands as *its own*, and to deal with Great Britain upon the theory it was the owner of all these claims, and had the right to arbitrate and negotiate in respect thereto, and to receive as its own whatever sum might be awarded by the tribunal of arbitration.

Yet this money is not in fact the money of the Government, is not claimed by it, but it is conceded it belongs to some one or more of the various classes of claimants for damages by reason of the unlawful acts of the British government.

What, then, is the tenure by which this money is held by the United States, and what is the duty of Congress in providing for its distribution?

It seems to me, Mr. Speaker, that the analogies in familiar cases in equity are complete.

A person takes the custody and control of the personal estate of a deceased individual and deals with it as his own. The law converts him into a trustee, and makes him liable as an administrator *de son tort*.

A person standing in *loco parentis* to one or more minors assumes the control and disposition of property belonging to such minor or minors. The law converts him into a trustee for such minor. A stranger or one of several *cestui que trusts* intrudes upon an express trust, and assumes the whole management and control of the trust property. The law converts him into a trustee, and renders him liable to account more strictly even than if he had been appointed by the court to execute such trust.

An attorney purchases the property of his client at a judicial sale in his own name; the law converts him into a trustee for such client.

Now the Government of the United States has assumed the power and authority to deal with all private claims as its own; has received a gross sum therefor; and has released and forever discharged all such claims. It is obvious to my mind that this money is held in trust in the sense I have named, and that the trust is as broad and comprehensive as the claims which were satisfied and discharged by the payment and receipt of such gross sum.

Assuming the correctness of this position it follows as a fundamental principle that in the distribution of the fund the highest equity is first to prevail and each equity in its turn according to its validity. Following this rule the insurers who were actual losers have already been provided for and paid. It would seem that the actual losses of property uninsured are equitably upon the same footing. But, Mr. Speaker, as I said in the outset, I do not propose to discuss the detail of distribution, contenting myself with referring to the general principles upon which I think it should be made.

Here, then, is no express trust, no limitation upon the general power of distribution, except such as the rules of equity impose; and within that range Congress is left free to dispose of this money.

Nor was it in the power of the government of Great Britain to place any limitation or check upon the power to distribute this fund. She was the wrong-doer and cannot be permitted by objecting to the allowance of one claim or class of claims to deprive such claimants of their equitable rights.

But, Mr. Speaker, gentlemen who differ with the views I have expressed say by the terms of the award the money belongs to a class of claimants, the insurance companies, and that good faith demands they should be preferred. I cannot concur in this view. I have very briefly endeavored to show the money was not paid or received for

any such purpose. I do not deny the obligation of good faith in the disposition of this money. Why are the persons to whom I have referred in supposing cases—the administrator *de son tort*, the person *in loco parentis*, the intruder upon an express trust, the attorney purchasing his client's property—held liable as trustees? It is, sir, because good faith requires it.

It was a remark of Michael Hoffman, in the New York constitutional convention of 1846, speaking of the obligation of the State to its public creditors, that "Good faith is a jewel."

It is so, Mr. Speaker, between private individuals. It is eminently so between a government and its citizens. The United States assumed to take this money as its own. The individual claimants were ignored. The parental power of the Government was exercised for the high ends to which I have referred. The money is clearly subject to the operation of the broad equities named, and the highest good faith demands at the hands of Congress that actual sufferers shall be provided for in its distribution.

#### The Dead Lock.

### SPEECH OF HON. JAMES WILSON,

OF IOWA,

IN THE HOUSE OF REPRESENTATIVES,

June 28, 1876,

On the question of agreeing to the amendments of the Senate to the Army appropriation bill.

Mr. WILSON, of Iowa. Mr. Speaker, there is cause for sincere concern relative to the position of the two Houses on appropriation bills. The position assumed by the controlling party in the House that the constitutional provision giving us the sole power to originate a revenue bill contemplates that we are justified in compelling the Senate to come to our views respecting the amounts that shall be appropriated is controverted by the Senate, who insist that appropriation bills shall only contain provisions to carry out existing laws, and that existing laws should not be changed on an appropriation bill.

To sustain the stand taken by the House, the remarks of several gentlemen and some papers that have been submitted to the House for action attempt to draw analogies between the legislative bodies of this country and Great Britain that do not exist; endeavors to compare our House of Representatives with the House of Commons, where comparison is impossible, and tries to run a parallel between our Senate and the House of Lords relative to power over money bills, where the constitutional powers of the one and the hereditary prerogatives of the other forbid the effort.

The gentleman from New York [Mr. Cox] in his admiration for the monarchical form of government seems to forget that the contrasts between our Government and that of Great Britain are much more marked than the analogies. The Commons only grant money on the petition of the Crown. Our Executive makes no petition. We pass bills in the line of our duty with nothing in the nature of a grant about them. The power of the Commons has steadily grown, since their original powers only reached to the extent of petitioning the Crown and Peers, till they now govern the country in reality, while the House of Representatives has no more power to-day than when the Constitution was adopted. Our Executive is elective; the English executive inherits. Our Senate is elective; the House of Lords is hereditary. Our Houses meet by constitutional provision; the English houses are convened by the sovereign. They are controlled by precedent; we act under the Constitution. The English houses separately claim the initiatory on special subjects of legislation; our jurisdiction is co-ordinate except in relation to originating revenue bills.

In England, the origin of taxation refers to the feudal aids and services due from the tenants to the Crown, recognizing a condition of superior and inferior that we do not recognize as existing politically between individuals in our land or as existing between the House of Representatives and the Senate. The tenants in chief to the Crown, as a Parliament, granted to William the Conqueror aid due him as their superior. (401.)

Prior to 1688 imposts were occasionally levied by royal prerogative without the consent of Parliament; notably the imposts levied by James after the death of Charles II. Since that time the revenues of the Crown have been dependent altogether upon Parliament, and a careful study of the encroachments of the royal prerogative upon rights of the Commons before the accession of the Prince of Orange to the English throne will furnish abundant reason for customs that have prevailed since that time with regard to the appropriation of money for their civil and military establishments.

King John bound himself in the great charter not to assess "aids and scutages" otherwise than by the common council of his realm; but his successors often did it notwithstanding. Macaulay tells us that a great constitutional principle, so old that none can say when it began to exist, is that the king could impose no taxes without the consent of his Parliament; that this was a fundamental rule five hun-



dred years ago, but at a much later period it was not cleared of all ambiguity. This rule has grown into constitutional enactment now with us, that regulates the raising of revenue by a system clearly defined and should be well understood. The necessity of constant vigilance in the Middle Ages against royal prerogative does not exist in our form of government. The encroachment mentioned by the gentleman from New York of the Senate upon the privileges of the House is wholly imaginary. The Constitution, while it gives the House power to originate revenue bills, also gives the Senate power to amend. The law of amendment reaches to the extent of substituting one word for another, one paragraph for another, one section for another, and everything but the enacting clause may be substituted. The Senate not only exercises a right, but performs a duty in amending a bill for which they are as much responsible to the people as the House is. The framers of our Constitution had the struggles of the commons against the encroachments of kingly power as a light to them when they constructed a charter that balanced the governing powers so evenly that no undue prerogative of either Senate, House, Executive, or judiciary could exercise an amount of authority likely to become dangerous.

DeLoime, a writer on the British constitution, says:

Without looking further back than the reign of Charles II, we see that the House of Commons had in that reign begun to adopt the method of adding (or tacking, as it is commonly expressed) such bills as they wanted more particularly to have passed to their money bills. This forcible use of their undoubted privilege of granting money, if it had been suffered to grow into common practice, would have totally destroyed the equilibrium that ought to exist between them and the Crown. But the lords took upon themselves the task of maintaining that equilibrium. They complained with great warmth of the several precedents that were made by the Commons of the practice we mention. They insisted that bills should be framed in the old and decent way of Parliament, and at last made it a standing order of their House to reject upon the sight of them all bills that are tacked to money bills.

One of the differences between the House and Senate now is, the House has indulged in new legislation on the appropriation bills to such an extent as to upset all the well-established rules of procedure between the two Houses; and while the House insists on the exclusive control over money bills, they also violate the time-honored rule relative to what a money bill should contain.

Let us now look for an illustration of the upper House going beyond its constitutional prerogatives. DeLoime says:

In the reign of King William III, a few years after the Revolution, attacks were made upon the Crown from another quarter. A strong party was formed in the House of Lords, and, as we may see in Bishop Bennet's History of his Own Times, they entertained very deep designs. One of their views among others was to abridge the royal prerogative of calling Parliaments and judging of the proper times of doing it. They accordingly framed and carried into their House a bill for ascertaining the sitting of Parliament every year; but the bill after it had passed their House was rejected by the Commons.

DeLoime also gives an account of an attempt by the Lords in the reign of George I to limit the number of the members of their own House and prevent the Crown from adding to their numbers—the only check the crown has on the Lords should they desire to stop the passage of money bills. The Commons again stepped in and sustained the Crown by rejecting the bill. Thus we find in English history the checks one branch of the government could put upon the other. The people were ready with the sword to support the Commons against the encroachments of the royal prerogative. The Commons sustained the royal prerogative against the encroachments of the Lords, and the hereditary House of Lords refused to allow the Commons to encroach on their prerogatives or those of the Crown.

Macaulay says that a week of civil war in England would be felt from the Hoang-Ho to the Missouri a hundred years hence. We know something of the effects of civil war. But he must have the gift of prophecy who can foretell the effects of stopping our Government by a refusal to pass the appropriation bills, of stopping the courts, the mails, the foreign service, the Army, the Navy, the Indian Bureau, the Pension Bureau, Bureaus of Education and Agriculture; in short, stop the whole American Government because one committee of the House, after having absorbed the functions of nearly all the standing committees of the House, insist upon pushing the prerogatives of the House beyond any precedent heretofore set, and against the very letter of the Constitution itself, that gives the Senate the same power to amend a revenue bill—conceding an appropriation bill to be a revenue bill—that the House has to originate it. If the Senate refuse to cut down where it should be done they are responsible and can be reached, but such a revolution as a failure to pass the appropriation bills would bring about is not justified by the Senate refusing to change existing law on a money bill.

I personally believe that many of our reductions are justifiable. I fully believe that some of them are not. But, be that as it may, no condemnation of a refusal to effect the best terms possible within the remaining days of the fiscal year would be too severe.

Lord Brougham, on The British Constitution, says of our system on this point:

In the House of Representatives resides exclusively the power of propounding taxes of any description, but not so exclusively as in England, because the Senate may alter and amend the supply bills. \* \* \* The suffering amendments upon money bills is no doubt an improvement upon the English constitution, but there is still left a remnant of the same error on which our Commons claim the exclusive right of dealing with taxation.

The analogy between the House of Representatives and House of Commons is destroyed when we consider that the Commons are com-

pelled to limit the time that money bills and appropriation bills shall be in force to insure the annual meeting of Parliament. May says:

Without their annual sanction the maintenance of a standing army in time of peace would be illegal and the army and marines on shore would be released from all martial discipline and subordination. This usage affords an additional security for the annual meeting of Parliament, which is otherwise insured by the system of providing money for the public service by annual grants.

The ancient prerogative of the Crown to call Parliament together was often negatively abused. James II levied taxes without sanction of Parliament. Charles I feared to call his Commons together. Our Constitution insures the meeting of Congress, and with that safeguard placed in the Constitution the co-operation of the Senate in the appropriation of money for the public use became desirable, there being no need of placing in the House the exclusive control of money bills to insure its being called to sit at all. The House of Commons send to the Lords the supply bills in brief, enactments of amounts needed, and refuse to furnish the details on which those totals are based, or even papers giving information on the subject. Our Constitution giving the Senate the power to amend contemplates that they shall have as ample information on the subject as the House and the right to the possession of all estimates, information, papers, and facts bearing on the subject. For the House to deny the Senate the exercise of its constitutional power is revolution.

Consider the present situation. We have civil and military establishments, the salary of each officer and employé established by law. The House, whether by exclusive right or not, originates bills appropriating money to support these establishments.

It has been customary to allow nothing to be tacked to these bills not in accord with existing law, if either House objects. When the law is to be changed a standing committee of the House, under the rules, has jurisdiction, and part of the legislative machinery of the House is arranged by which laws can be changed when a majority of the House desire. There are thirty-four standing committees, upon which are appointed all the members of the House, having charge of all the subjects upon which Congress can legislate.

One of these committees is that on appropriations, consisting of eleven members, the same as the other committees. It has formerly been charged with the duty of preparing and reporting bills to appropriate money in conformity with existing law. When legislation has been tacked on these bills, it has been by suspending the rule and making it in order by a two-thirds vote. Such new legislation has been limited heretofore to occasional clauses. But this session a new policy has been inaugurated, enabling a majority by changing the rule to do what could only be done heretofore by a vote of two-thirds of the House. This departure from time-honored custom has given to the eleven members composing the Appropriations Committee the power heretofore exercised by the standing committees, and is a concentration of power unheard of in our times. Close observation of the workings of this new order of things has shown that when the opinion of the Appropriations Committee clashed with that of any other standing committee, the standing committee could not be sustained.

It is a well-known fact that unless the party in power for the time being in the House stands well by the Appropriations Committee they cannot succeed in carrying through the eleven bills for the support of the Government. Our eleven members on the Appropriations Committee first got the power through a change in the rule. Then the majority was compelled to sustain them as against any standing committee. The Committee on Appropriations adopted a theory of reduction of 10 per cent in pay, 20 per cent in force. In some Bureaus of the Government this might be applied without detriment; in others only at the expense of efficiency. The Committee on Military Affairs, on the Post-Office and Post-Roads, on Agriculture, on Indian Affairs, and others, might and often did protest against the iron resolution of the Committee on Appropriations. But power is sweet even to a committee, and necessity compelled the House to sustain them. One by one the standing committees were beaten. The judgment of one committee of eleven men was indorsed on one day against the judgment of eleven men on one standing committee, on another day against eleven men on another standing committee, until the whole field was gone over; and now we have the law changed relating to all branches of the Government on the recommendation of eleven members of the House, whom the House was compelled to sustain if we passed appropriation bills at all. I do not say that the Appropriations Committee has not been industrious. I am sure they have been. I do not say they are incompetent. I think if they had confined themselves to reporting bills to carry out existing law, as former Appropriations Committees have, they would have been fairly successful. But they have applied an unbending rule to everything. They cannot know what all the consequences will be. The House surely does not know whether they have done well or crippled the Executive Departments of the Government. The Senate, being vested by the Constitution with the same powers to amend appropriation bills that we are vested with, and consequently under the same responsibility the House is under, and hesitating to stop or block the wheels of Government, determined to be governed by law, and change the law relative to appropriation bills only when their judgment tells them it is wise to do so.

For this law-abiding spirit the gentleman from New York compares the Senate to the English Crown and their stand for law and order to the encroachments of the royal prerogative on the English Com-

mons. The House says it is economy because the Appropriations Committee thinks it is. The Senate does not know it is economy and proposes to stand by the law until a reason is given for changing it. It cannot be said that the Senate refuses to agree to the reduction of expenditures because they concurred last Congress in a reduction of twenty-six millions on these same bills when the House gave them abundant time to ascertain what they were doing. There is no doubt of their willingness now to help effect salutary retrenchment, but it is not clear to many of us that we have not gone entirely too far in nearly every direction, while it is clear to many of us that we have cut too deep in many directions.

It would not become a member of the House to advocate the yielding of any privilege or prerogative that belongs to it, either by custom or through the Constitution. But the issue raised by the gentleman from New York, respecting the right of the House to the exclusive control of appropriation bills and the denial of the right of the Senate to either originate or amend, can result in no good to the country. The two bodies are co-ordinate and have equal powers in making all laws, except that the House has the sole power to originate a revenue bill. After it is originated, the powers of the House and Senate are equal in every respect. Nor is it possible to conceive how any evil can result from the power of the Senate to amend or reject any bill. The Senate is not, like the House of Lords, a hereditary body, but is elective and representative in its character. There is but little analogy between our Senate and the English House of Lords. The reference of the gentleman from New York to the struggle between King and Parliament, before it can be brought into comparison with our courted dead lock, must be transposed. In the English case the Parliament struggled for existence. If the King could levy taxes he had no need of Parliament. In our case we are the aggressors; we are reaching for more power than the Constitution gives us; and, while there was no doubt the people sided with the Commons, we have no evidence whatever that the people desire the Senate to yield to us its constitutional privileges. The judgment of both is needed, and I do not think it would be best that the whole responsibility of passing appropriation bills should rest on the House. It is a prominent feature in our form of government that absolute power and sole responsibility rest nowhere but with the people, whose majority vote can bring about anything they desire, the same as a majority of this House can find a way to do anything or prevent anything from being done.

It is the duty of the House, however, to guard well the people's money, as it is the duty of the Senate and the Executive. We know very well that frequently bills are allowed to pass with the knowledge that the Senate will correct some error or reject the bill altogether. We know that the President is very careful about attaching his signature to bills that shall form a precedent as to a class of claims that would deplete the Treasury. Neither the President, the Senate, nor the House is excusable if a bad bill passes, and the vigilance of all three is often overreached by the advocates of doubtful measures. Notably so in regard to third-class mail matter. None of the checks can be safely removed, even if the oath of a Senator to support the Constitution would permit. It takes the care of the House committee, the House itself, the Senate committee, the Senate, the President, his advisers and officers to make a law at present. Then the people must approve or its repeal is certain. The assumption of the House that they should have the sole control of appropriation bills would only embarrass the House in the future, and the people would not agree to it.

The assertion that we are the most heavily taxed people in the world has led me to inquire into the sources of taxation, and for illustration I have inquired into the amount of taxes laid on one of my constituents and who lays them. I find the average Iowan pays for municipal and local purposes, laid by himself, seven dollars and a half. The State of Iowa lays one half dollar on him; the late war, to pay interest on the war debt, pensions, war claims, &c., lays \$3 on him; and the United States, to support the foreign service, the Army and Navy, pay interest on lands got by treaty from the Indians, to provide for the deficiency in the mail service, meet the executive, legislative, judicial and other expenses of the Government, lays little over \$2 on him. Now you see who is taxing the people. More than one-half of all taxes are local, nearly one-fourth the interest on the cost of the late war, and a little over one-sixth suffices for all the purposes of the General Government, derived from whisky, tobacco, and foreign imports. No people on the face of the earth are as lightly taxed by their government: our Army but a skeleton, our Navy a shadow, compared with the great armies and fleets of old countries. We are the best-fed, best-clothed, best-housed, most generally educated, freest, and should be the happiest people on earth. This misrepresentation of the condition of our people on the floor of Congress is unwise and sinful, and, to a stranger who might be listening, incomprehensible.

If there is depression in some of our industries, so there is all over the world. We have been living on too high a plane; we must economize a little till times get better. Our system has enabled the workman to live like the higher classes of some countries. If overproduction and overproduction of the products of our factories has overflowed the home market we must seek one abroad and certain family expenses till the home market revives or the foreign one is found. If you take off the \$2 *per capita* that internal and customs duties bring

us and run the Government for nothing, it would not create a home market for iron and cotton goods.

Our people are not ground down by taxation. We expend very freely to educate and improve, and moderately for civil service. If the House would turn its attention to the industries of the people more than to the success of party it would find a more noble field for inquiry.

Is it remarkable that the Senate could not see in the few days we have given them to consider the multitudinous changes we have made in the general laws the propriety of adopting them on sight? We did not see the propriety ourselves. I saw where the rule pinched in some cases; other members of the minority saw where it pinched other parts of the service. I was voted down in some instances; other members of the minority were voted down in others. I could see where the Department of Agriculture, the Bureau of Statistics, or the Post-Office Department would be hampered in contributing to the development of the great West. Other members of the minority who had acquaintance with the Army, the Navy, the collection of revenue, or the efficiency of the foreign service, presented arguments that were unanswerable against the new legislation respecting these Departments of the Government. But the Committee on Appropriations was satisfied of the wisdom of their course; the majority of the House sustained them in every case. The standing committees protested in turn, and were in turn voted down. In this manner we have passed the appropriation bills. The Senate proposes to change the law where necessary through the usual committees intrusted with each special subject, and pass appropriation bills in conformity with law.

The House say that they are justified in insisting that the Senate shall take the bills as the House send them or a dead lock will be justifiable; that is, if the judgment of eleven of our men is not conceded to be right, without time to ascertain whether it is right or wrong, the wheels of Government shall stop.

There is much in the conduct of the majority that seems to invite a dead lock. Our rules require that at or near the close of a session the disagreeing House shall ask for a committee of conference. We have permitted our bills as they came back from the Senate amended to lie on our table until the Senate should take the initiative in bringing the two Houses together. After the Senate did ask for a second committee of conference where the first committee had failed to agree, we advertised our defiance by re-appointing the same members as conferees on the part of the House. If the Senate takes the same course, the two Houses will never come together. I am slow to believe that our very late action on the appropriation bills, our wholesale change of existing law, our extensive tacking on of new legislation, our refusal to ask for committees of conference, and our uncourteous re-appointment of the same members on conference committees that had failed to bring the two Houses together, is intended to result in a dead lock and consequent embarrassment of the Executive Departments of the Government; but it does not require a lively imagination to entertain the thought.

The remarks of our Ex-Speaker *pro tempore* at Saint Louis certainly indicate an intention to coerce the Senate or refuse to pass some of the bills till after November. If the American people cannot see through this, then our free schools, free press, free library, and free churches have failed to teach the people how to analyze the dark ways of politicians.

It cannot be said that a Senator does not sympathize with the people. He must know his people as well as the Representative, must be familiar with their religious, educational, and industrial interests, or he will not long hold his position as Senator. The only difference between him and a Representative is that he is elected by members of the Legislature, who are generally instructed tacitly or formally by the people whom they shall support, and the Senator is elected for a longer time. But the responsibility is as great as the Representative acts under, and communications with the people more voluminous. One of the most popular amendments to the Constitution would be to provide for the election of Senators by the people. The theory that they represent States is becoming obsolete. The gentleman from New York [Mr. Cox] in this House deplores, and Mr. Potter from the same State in the last House deplored, the inequality of representation in the Senate. Would they equalize the representation and then deny them the power to act as representatives?

The only judge between House and Senate is the sovereign people. If we ask the Senate to go further than they will go, we must compromise on the best terms we can get and let the people judge between us. The people will hold us to account if we stop the administration of public affairs. The people will deal with the Senate if they refuse to meet us in our desire to cut off needless expenditures; what are needless and what are not they are as much the judges as we are under the Constitution.

There is equal desire on both sides to do for the best; but the republicans regard the country as growing and expanding, and think it necessary to provide for it. The democrats seem to regard the country as dead and proceed to administer on the estate by shutting up the house, bringing the family together to mourn, notifying everybody of the sad event, putting on a rueful countenance; money only is paid for any purpose after the utmost difficulties. A funeral gloom seems settled on the House. One can scarcely help thinking that one of the old Jewish prophets is present proclaiming, "Woe to the land, and the inhabitants thereof."



District of Columbia Affairs.

## SPEECH OF HON. W. W. CRAPO,

OF MASSACHUSETTS,

IN THE HOUSE OF REPRESENTATIVES,

July 13, 1876,

On affairs in the District of Columbia.

MR. CRAPO. Mr. Speaker, the fact that the Committee for the District of Columbia has unanimously reported certain resolutions as the conclusion reached by it upon its examination into the affairs of the District, under the order of the House directing the investigation, would seem to make unnecessary any discussion of the question. But while entirely harmonious in recommending the action to be taken by the House, the committee have submitted reports quite conflicting, and members of the committee widely disagree in the inferences drawn from the testimony. I am compelled, from a sense of duty, to dissent from the report presented by the chairman, [Mr. BUCKNER,] which expresses the views of the minority of the committee, and beg to state briefly my reasons.

This investigation has been thorough and painstaking. It has been conducted with candor and fairness. Every person with a complaint or grievance, desiring a hearing, has been fully heard. Statements directly and remotely bearing upon the inquiry have been received. Disappointed contractors, discharged employes, "ring" men and "anti-ring" men, representatives of every theory of District government and District management, have had entire freedom of speech accorded to them. On the other hand those representing the District commissioners and the board of audit have had every opportunity for defense and explanation. While we have listened to every rumor and suspicion of official misconduct, we have granted every facility for explanation and contradiction. It is but simple justice to all of the members of the committee to say that there has been a denial to none in the search for facts and truth. No single member of the committee can arrogate to himself a purer purpose or a more impartial mind in this investigation than his colleagues.

And yet, Mr. Speaker, we find ourselves reaching very different conclusions. Why is this? I account for it upon a theory entirely consistent with fairness and integrity. Some of the committee naturally approach the inquiry with the feeling that there must of necessity be a grievous wrong and a corrupt intent simply because a debt which they had supposed, from an imperfect knowledge of the details, should not have exceeded \$10,000,000 has reached nearly fifteen millions. Here at the outset is a circumstance which to some carries suspicion of fraud and corruption, and with it a natural prejudice. There are some men, and they can be found on congressional committees as well as elsewhere, who, without intending to wrong any one, believe that office-holders have more than the ordinary share of human infirmities and are more liable to err than men in private life. On the other hand there are those who in an investigation like this have some faith in human nature; who are slow to believe that men who have won a reputation for honesty and integrity both in public and private life, trusted and honored for years by their neighbors and friends, respected by all who know them intimately, do not surrender all virtue and morality simply by being placed in official position even at Washington.

But these differences in temperament and the prejudices which arise from political preferences and party associations do not fully account for the conflicting views held by the committee. There is in my judgment a better and more satisfactory explanation for these opposite conclusions, and one which, while prejudice and bias may intensify the opinion when formed, is not inconsistent with an honest and earnest endeavor to arrive at correct results. This explanation I find in the contrary views entertained by members of the committee upon the legal effect of the act of June 20, 1874, and the different opinions concerning the authority conferred by that act upon the District commissioners and the board of audit. If the legal propositions stated by the gentleman from Missouri [Mr. BUCKNER] are correct, then I can find some warrant for his conclusions, although a partisan spirit may have magnified some of the alleged misconduct and offenses. But if, on the other hand, his construction and interpretation of the law is erroneous, then the conclusions and inferences which he has drawn from the evidence fail.

In my judgment the report of the chairman is based upon a misapprehension of the law and an incorrect legal understanding of the powers and authority conferred by Congress upon the District commissioners and the board of audit. The District commissioners and the board of audit, before entering upon their duties, consulted with persons learned in the law and competent to advise them. They obtained the legal opinion of the official law adviser of the District, and they sought information from those who, as members of a special committee of the last Congress, had given much consideration to the affairs of the District, and had been largely instrumental in the passage of the act which authorized their appointment. Acting thus carefully at the outset in determining their powers and duties, and with no doubt about their legal authority, they proceeded to the discharge of their trust. It is admitted by all that they have acted in good faith,

and that their administration has been marked with personal integrity and good sense; but it is asserted in the minority report (that signed by Mr. BUCKNER and others) that they grossly exceeded the limited authority conferred upon them.

Let us consider this question. It is admitted by the report that "there can be no dispute or controversy that Congress intended that the valid contracts of the board of public works should be completed, and that provision was made for auditing and funding the claims growing out of the completion of this work according to the terms of these contracts."

Elsewhere in the report it is stated concerning the provision for the settlement of the fourth class of claims in section 6 of the act of June 20, 1874, that "the phraseology of the statute describing the claims of this class leaves no doubt that it was intended to include the claims growing out of the incomplete contracts of the board of public works. They must be claims for work done, or claims hereafter created, that is, for work to be done, but arising out of contracts already made by the board of public works."

It is also stated that "neither the commissioners nor the engineer can be held responsible if the work needful to finish these contracts required a larger expenditure than the sum estimated by the joint committee" of 1874. The report makes "no exception to the increase of the debt of the District growing out of this expenditure." Whether more or less than estimated, the claims growing out of the completion of these incomplete contracts were provided for and required to be audited by the board of audit. But the report contends that the completion of these contracts "was not a matter over which the commissioners had any jurisdiction, except to see, by their engineer, that the work was done according to the original contract, and that the measurements were honestly and fairly made."

The report also contains the following admission respecting the power of the commissioners: "There is no doubt that they had authority, and it was their duty, to preserve and protect the improvements of the District." But it is denied "that it results from this admitted power that they had authority to contract for the payment of the labor expended in the preservation and protection of these improvements in the bonds of the District."

And touching the ninth section of the contract of the late board of public works, which is in the following language:

Ninth. It is further agreed that if at any time, during the period of — years from the completion of this contract, any part or parts thereof shall become defective, from improper material or construction, and in the opinion of the said party of the first part require repair, the said party of the second part will, on being notified thereof, immediately commence and complete the same to the satisfaction of the party of the first part; and in case of failure or neglect of the said party of the second part so to do, the same shall be done under the direction and orders of the party of the first part, at the expense of the party of the second part.

It is contended in the report that even if the commissioners, under that section, had the power, on notice to the contractor of a failure on his part, to make the repairs and charge the cost thereof to the contractor, still the commissioners have no authority "to issue bonds of the District in payment of those repairs." It is further contended that "if the obligation is between the District and the contractor, that obligation is that the contractor shall keep the streets improved by him in repair, and the commissioners would enforce this contract on the part of the District by suing the contractor for his failure and obtaining a judgment against him."

The report admits that there is before the committee no positive and direct proof of "corrupt motive or criminal misconduct" on the part of the commissioners, and does not even insinuate that there is any kind of evidence, however slight, of such motive or misconduct. Nor does the report deny that the work performed by the commissioners was well done, was advantageous to the public interest, was necessary to the preservation and protection of existing improvements and to the convenience of the public, and prevented the destruction or waste of public property. But nevertheless the report claims that there has been on their part "not only frequent violations of law, but absolute unfaithfulness in the administration of the affairs of the District."

The report, however, imputes to the commissioners no other violation of law or unfaithfulness than those involved in proceeding with entire integrity of purpose to accomplish important and necessary public benefits under a construction of the law differing in the respects indicated from that adopted by the report.

Thus it is seen that the points especially laid down in the report wherein its construction of the law differs from that of the commissioners, and wherein it consequently claims that the latter violated the law, are as follows:

First, it is contended in the report that although under the grant of authority to the commissioners in the act of June 20, 1874, and under section 6 of that act, providing for the settlement of the fourth class of claims therein specified, namely, "claims existing or hereafter created for which no evidence of indebtedness has been issued, arising out of contracts, written or oral, made by the board of public works," it was, in the words of the report, "intended to include all claims growing out of the incomplete contracts with the board of public works," and "provision was made for auditing and funding the claims growing out of the completion of this work according to the claims of this contract;" yet nevertheless the commissioners were required to adhere strictly to the terms of these contracts, and only in the case of the performance of such contracts according to their

strict terms could claims be adjusted by the board of audit in certificates of that board convertible into 3.65 bonds.

Second. It is claimed in the report that, as respects the ninth section above quoted of board of public works contracts, the commissioners could only sue the contractor for his failure and obtain judgment against him, and in making repairs, in case of default of contractor, could only apply taxes or other revenue to the payment of the same.

The adoption of a construction different from that of the report in these two respects, admitted to be "without corrupt motive or criminal misconduct" and (by the implied admission of the report) for the accomplishment of public benefits, constitute flagrant violations of law and an absolute unfaithfulness in the administration of the affairs of the District charged to the commissioners in the report.

Let us examine these two points.

First. According to the report the unfinished contracts of the board of public works were intended by the law to be completed. The second section of the act of June 20, 1874, vested in the commissioners the power and authority theretofore lawfully vested in the board of public works, except so far as limited by said enactment; consequently, after the board of public works was abolished, the commissioners became vested, within the limitations prescribed in the act of June 20, 1874, with the former power and authority of the board of public works in respect to such contracts. They were substituted for the board of public works as one of the contracting parties. Within the limitations of the act, as a contracting party, and with the concurrence of the other party, or so far as authorized by the contract without authorization from the other party, they might modify unfinished contracts of the board of public works. The limitation upon the power of the commissioners is against the making of contracts or incurring of obligations "other than such contracts and obligations as may be necessary to the faithful administration of the valid laws enacted for the government of said District, to the execution of existing legal obligations and contracts, and to the protection or preservation of improvements existing or commenced and not completed at the time of the passage of this act."

The report concedes that the commissioners might make contracts and incur obligations for either of these purposes. If they might make a contract for these purposes and afterward, with the concurrence of the other contracting party, modify such contract, so also, being substituted by the act of Congress for the board of public works in unfinished contracts with that board, and taking all the power and authority of that board within the above limitations, it necessarily follows that in the performance of such contracts the commissioners might make modifications of their provisions necessary to the faithful administration of the valid laws enacted for the government of the District, to the execution of existing legal obligations and contracts, and for the protection or preservation of improvements existing, or commenced and not completed at the time of the passage of the act of June 20, 1874. A different construction, denying the authority of the commissioners to make the modifications necessary for such purposes, would operate very prejudicially to the public interests, and would require them to go on with the performance of contracts of the board of public works in a manner conflicting with the faithful administration of the valid laws, or with the execution of existing legal obligations, or prejudicial to the protection and preservation of existing improvements. Assuming, then, that such a modification might be made, the question upon which the report adopts a different conclusion from that acted upon by the commissioners is whether claims for work done pursuant to such modifications would have to be audited and settled by the ordinary accounting officers of the District and paid for in cash out of the revenues of the District, or whether such claims under such contracts of the board of public works, so lawfully modified, came within the fourth class in section 6 of the act of June 20, 1874, as "claims existing or hereafter created for which no evidence of indebtedness has been issued, arising out of contracts, written or oral, made by the board of public works," and coming within such class had to be audited and settled by the board of audit and paid in certificates of that board, convertible into 3.65 bonds. The report furnishes no reasoning in support of the former of these two constructions. The construction is simply dogmatically laid down, and the adoption of the other construction is stigmatized as a "flagrant violation of the law and absolute unfaithfulness in the administration of affairs."

But a claim arising under such an unperformed contract of the board of public works, and created by a modification lawfully and necessarily made by the commissioners, was a claim necessarily and lawfully created after the passage of the act of June 20, 1874, and arising out of a contract of the board of public works. Therefore, in respect of all of its conditions, it belonged to the class of "claims existing or hereafter created for which no evidence of indebtedness has been issued arising out of contracts, written or oral, made by the board of public works."

In specifying claims not merely to arise after the passage of the act, but to be thereafter created, the law seems to provide pointedly and specifically for lawful and necessary modifications of the original letter of the contract. Such modifications always become necessary in the prosecution of extensive public works, and cannot be avoided. Again, the construction laid down in the report would have required a claim arising out of such a lawful modification of a contract of the

board of public works to be separated into two branches, one belonging to the strict and original letter of the contract, and coming within the jurisdiction of the board of audit; and the other coming within the jurisdiction of the ordinary and subordinate accounting officers of the District; the latter branch to be paid for in cash, and the other to be paid for in board of audit certificates convertible into 3.65 bonds. In carrying out these necessary modifications nice calculations would have to be made in order that these two kinds of payments might accord. In many cases it would be impossible to regulate the compensation of the contractors, and impossible to audit and settle the claim by separating it into the two branches, and sending one branch to one set of accounting officers for one mode of payment, and the other branch to a different set of accounting officers for payment according to a different standard of values. Much confusion would have resulted from this course, even if practicable. But the act of June 20, 1874, contemplated and required that claims for work rendered necessary in the completion of contracts of the board of public works should be submitted to the examination, not of the subordinates and appointees of the commissioners, but to examination by the board of audit, composed of the Comptrollers of the United States Treasury, the highest accounting officers of the United States Government, independent of the executive authority of the District, and possessing high personal qualifications as well as high official position. One great purpose of the act of June 20, 1874, would have been frustrated had necessary modifications in uncompleted contracts—however slight such modifications might have been—removed the settlement of claims under such contracts from the jurisdiction of the board of audit and transferred their settlement to subordinate officers of the District, appointed by the District commissioners. It would have been a "flagrant violation of law and absolute unfaithfulness in the administration of affairs" had the commissioners and the board of audit adopted the construction laid down in the report.

Second. The only remaining matter wherein the report claims that the law was wrongfully construed by the commissioners and by the board of audit is in reference to the settlement of claims under contracts made by the commissioners pursuant to the powers given to them under the ninth section of contracts originally entered into by the board of public works. This point requires an examination also as to the fifth section, to which the report makes no reference. The fifth section of board of public works contracts is as follows:

Fifth. It is further agreed that if, at any time, the party of the first part shall be of opinion that the said work, or any part thereof, is unnecessarily delayed, or that the said contractor is willfully violating any of the conditions or covenants of this contract, or is executing the same in bad faith, all of the work may be discontinued under this contract, or any part thereof; and the said party of the first part shall thereupon have the power to place such and so many persons as may be deemed advisable, by contract or otherwise, to work at and complete the work herein described, or any part thereof, and to use such materials as may be found upon the line of said work, or to procure other materials for the completion of the same, and to charge the expense of said labor and materials to the party of the second part, and the expense so charged shall be deducted and paid by the party of the first part, out of such moneys as may be then due, or may at any time hereafter grow due to the said party of the second part, under and by virtue of this agreement, or any part thereof; and in case such expense is less than the sum which would have been payable under this contract if the same had been completed, the party of the second part shall be entitled to receive the difference; and in case such expense shall exceed the last said sum, the amount of such excess shall be paid to the party of the first part by the party of the second part.

The ninth section has been cited above.

The power of the commissioners to act under the fifth section arose in the courts soon after the commissioners entered upon their duties. The power was sustained. The commissioners reported the matter to Congress in December, 1874. (See commissioners' report, December, 1874, page 22.) The commissioners advised Congress also of the fact that claims arising under contracts entered into by them by reason of this fifth section were being audited and settled by the board of audit. The same policy and requirement of the act of June 20, 1874, which required claims of the original contractor to be examined and audited by the highest accounting officers of the United States Government, acting independent of the executive authorities of the District, required also that claims where a contractor substituted by the commissioners for the original contractor by virtue of the fifth section of the original contract entered into by the board of public works should also be audited and settled by the same accounting officers. It would have been a flagrant violation of law had the board of audit neglected to perform such a duty, or had the commissioners usurped the authority and themselves, or through their subordinates assumed to examine, audit, and pay for claims under a so-called new contract made by the commissioners under the fifth section of the old contract. But if claims created under and resulting from obligations entered into by the commissioners pursuant to the fifth section of an old contract were properly to be audited by the board of audit and settled in the certificates of that board convertible into 3.65 bonds, so also were claims resulting from obligations lawfully entered into by the commissioners under the ninth section. The right in respect to the fifth section is not controverted in the report, but both sections were parts of written contracts made by the board of public works. Claims arising out of one would have to be treated in the same way as claims arising out of the other. These sections could not be separated from other sections, and claims under them be paid in cash, and claims under other sections be paid in board of audit certificates, convertible into 3.65 bonds; and the propriety and necessity of examination and audit by the board of audit in the cases where



the fifth section is acted upon by the commissioners being conceded, it necessarily results that the same propriety and necessity exist in respect to the action of the commissioners under the ninth section. The commissioners, then, did not violate the law in acting under the ninth section of contracts originally made by the board of public works. The only question that remains is whether they were in any respect "absolutely unfaithful in the administration of affairs" by so acting. The report states that "if the obligation is between the District and contractor, that obligation is that the contractor shall keep the streets improved by him in repair, and the commissioners shall enforce the contract on the part of the District by suing the contractor for his failure and obtaining judgment against him." But this ninth section of the contracts contains an express stipulation binding both contracting parties, that if at any time during the prescribed period any part of the work done under the contract shall become defective from imperfect or improper material or construction and require repair, the contractor must be notified thereof and thereupon must commence and complete the same; and in case of failure or neglect of the contractor so to do, the same is then to be done under the direction of the authorities at the cost and expense of the contractor. Legal proceedings could not be instituted by the commissioners and judgment obtained against the contractor, in violation of the provisions of this section. In order to hold the contractor, the commissioners were obliged to act under this ninth section. If they had not done so, the right of recovery against the contractor would have been lost, and of course the right of recovery against his sureties.

But the report of the chairman, while denying the authority of the commissioners to make these repairs, asks, even admitting the commissioners have this right, "where do they obtain the authority to issue the bonds of the District in payment of these repairs?" The question contains a misstatement of fact. The commissioners do not issue the bonds of the District. In the case of claims under these so-called repair contracts arising out of the ninth section of contracts of the board of public works, as in the case of other claims belonging to the fourth class named in the sixth section of the act of Congress, the conversion of certificates of the board of audit into 3.65 bonds belonged entirely to the commissioners of the sinking fund under the act of Congress; and in the discharge of that duty the sinking-fund commissioners were entirely independent of the District commissioners. The question of the examination and allowance of such claims, and of the issue of certificates thereon convertible into 3.65 bonds, was one which had to be decided by the First and Second Comptrollers of the United States Treasury. The corresponding question, as to whether the commissioners would assume to exercise authority under the ninth section of the board of public works' contracts, had to be determined by the commissioners. But the views of the commissioners could not and did not control the views or action of the board of audit; and no effort was made to influence the judgment of those officers. The action of the commissioners of the sinking fund in converting the board of audit certificates into 3.65 bonds was also independent of the action of either the board of audit or the commissioners. Had not these three boards in the exercise of their independent duties concurred, not a single 3.65 bond would have been issued in payment of this class of work; nor would the commissioners have exercised any authority under the ninth section of the old contracts. It may well be said, however, that the decision of the First and Second Comptrollers of the United States Treasury, the highest accounting officers of the United States Government, who were expressly selected for their personal qualifications and on account of their official position by the act of June 20, 1874, for the responsible duties imposed upon the board of audit, was an authority in support of the construction of the commissioners which is entitled to great weight.

The commissioners have shown, and the report does not deny, that the rapid deterioration of the pavements and carriage-ways of the city in 1875 made it impossible for the commissioners to make repairs within the limit of their cash resources. If the commissioners had not exercised the power given them by the ninth section the preservation and protection of the improvements would have been neglected, and the commissioners would have violated what the report concedes to be a duty plainly imposed upon them by the act of June 20, 1874. It follows, therefore, that in this respect the commissioners have not only not violated the law nor been unfaithful in the administration of affairs, but they have acted in conformity with the law, and by their course accomplished what could not otherwise have been accomplished and what was necessary to the faithful discharge of the duties imposed upon them.

If the work falling within necessary and lawful modifications made by the commissioners of unperformed contracts originally entered into by the board of public works and of obligations entered into by the commissioners under the ninth section of contracts of the board of public works was well done, and was necessary, (as to neither of which is there any denial in the report,) the only practical detriment that could result to the public interest by reason of the adoption by the commissioners of their construction instead of the one indicated in the report is that the one might involve a greater expenditure than the other. But the report fails to show how work could be done more economically under one construction than under the other, or how the District government could have received a

better equivalent under one construction than under the other. If, therefore, there is even a fair question of construction in respect to these two matters, a person adopting the construction laid down in the report would not be justified in stigmatizing the adoption of the other construction, without corrupt motive or criminal misconduct, as being a flagrant violation of law and absolute unfaithfulness in administration. The commissioners, however, have more than the justification of honestly adopting a reasonable construction of a statute with the concurrence of two other independent boards of officers. It has been shown that they could not logically or lawfully have pursued a different course; nor could they otherwise have regarded the act of June 20, in providing a separate tribunal of the highest accounting officers of the United States Government, independent of the executive authority of the District, for the examination of all the claims existing or thereafter created arising under the contracts and in the course of the performance of the contracts of the old board of public works. Nor could they hold delinquent contractors to their obligations, nor could they have carried out the official duty imposed upon them for the public benefit of preserving and protecting existing improvements.

Beyond the two matters above considered the report finds no fault with the construction of the act of June 20, 1874, according to which the commissioners have discharged their official duties. I have considered simply the question of legal authority under which the commissioners and the board of audit have acted. If the positions taken by me are sound, then the report and the argument of the gentleman from Missouri [Mr. BUCKNER] completely fail. If these officers acted within the authority conferred upon them by the statute, then there is no need of further discussion. The resolution of inquiry under which the committee has acted alleged that contracts had been made in the interest of favorites and friends. There is not the slightest evidence to sustain such allegation. On the other hand, the testimony shows that the commissioners and the board of audit have acted throughout in good faith and with the highest integrity.

My colleague from Vermont [Mr. HENDEE] has so fully stated the facts and figures demonstrating the wise, prudent, and economical management of the affairs of the District under the charge of the present officials, that I need not discuss this branch of the inquiry. There are in the present system of District government many imperfections which need to be remedied. But the faults are in the system rather than with the persons intrusted with the executive authority. The District has doubtless suffered great wrongs, and has been subjected to an enormous expenditure of money, through the recklessness and folly, and perhaps dishonesty, of those who heretofore have managed its affairs. But this misconduct and these errors of a former administration ought not to be placed at the door of the present officials, who were in no wise instrumental in their origin. The condition of the District, in its management, government, and administration, is peculiar and anomalous. None of us expect that the present method of administering the government of the District is to be permanent. It is temporary and provisional until something better can be devised and adopted. A few years ago Congress established a form of government for the District. It had a governor, a legislative assembly with two branches, a Delegate in Congress, and, above all, what few cities or even States can boast of, a board of public works. This government, while sadly deficient in ballast, had an enormous spread of canvas. Through the wild recklessness of officers and crew it plunged into the breakers and came near becoming a total wreck. Congress, without stopping to take in sails, summarily used the ax and cut away the masts, and governor and board of public works went by the board. This was in June, 1874. Congress did not at that time make general repairs and re-organize the voyage, but rigged up jury-masts, in the shape of District commissioners and a board of audit, hoping to get the craft into smooth water and a safe harbor where there could be a thorough overhauling and a complete reconstruction. As yet nothing has been done except to stop a few leaks in the hull. If there is any blame or censure on account of this delay it attaches to Congress and not to the commissioners. While there are many defects in the present system, Congress has failed thus far to improve the system. Perhaps it may fairly be said that this neglect and delay in establishing a more perfect government is in a measure owing to the confidence which Congress and the residents of the District have in the high character and integrity and the wise judgment of those who now administer the affairs of the District.

District of Columbia Affairs.

## SPEECH OF HON. G. W. HENDEE, OF VERMONT,

IN THE HOUSE OF REPRESENTATIVES,

July 1, 1876,

On affairs in the District of Columbia.

Mr. HENDEE. Mr. Speaker, I approach the discussion of District of Columbia matters and the various questions growing out of the

investigation which has recently been concluded by the Committee for the District with a full knowledge of their importance and a deep sense of the responsibility I must take in giving expression to my views. During this session of Congress there seems to have been a remarkable thirst on the part of members to dive deep and to the bottom of the official conduct of every department of the Government. Every official act of every public man who has been connected with the Government for the last fifteen years must be examined, and if possible fraud and corruption found and held up to the gaze of the country. This seems to have been the established rule of the majority of this House since its organization, and I admit that the rule has been vigorously, unrelentingly, and sometimes rashly executed. There has been no safety here or elsewhere for prominent public men, for however pure and deserving they may have been the wicked and invisible hand of scandal has seized its pen for their destruction and in some instances has done its work successfully.

Sir, we have come to that era in the life of this country when the partisan mind is better satisfied with scandal than truth; when exultation and satisfaction rather than sadness and regret follow the downfall of the prominent public man. We sit here to-day and see perhaps our nearest neighbor standing forth an upright, valuable, and honest man. He enjoys our confidence and that of the country. We believe him to be a model in example and statesmanship; and to-morrow, yes, even to-morrow, we may be pained with the announcement that he has been guilty of crime, has betrayed his trust for gain, and is unworthy to further hold his seat or our confidence. The mere announcement is sufficient, and the partisan mind grasps its new food with rare relish; and he who yesterday was and is the peer of the best of us is brought low or put under a cloud, where he must remain for long months and perhaps for life. He may be innocent; yes, he is innocent and the proof of this fact is most plenary and satisfactory to the fair and unprejudiced mind; and yet his traducers never let go, and he is followed by them till his happiness, his usefulness, and his good name are wrested from him. He gradually loses his friends, his influence, his social position, and finally reaches the low level of obscurity, where he must remain.

Mr. Speaker, it seems to me that never before in the history of this Government has there been such a general distrust in the public mind of all public men; never before has it ever taken less to arouse the suspicion of the people and lead them to believe as true the most idle and unfounded rumor; never before was everybody on trial. And so general has become the desire to investigate, and not only to investigate but to find out something that shall create a sensation, I fear that undue and questionable measures are sometimes taken by parties who have these inquiries in charge. In times of great political excitement and bitter party effort for power, when one party has nothing to lose and everything to gain, and the other nothing to gain but everything to lose, I fear, yes, I maintain, that the accused official has but little guarantee for a fair trial and can have but little hope that justice will be done him.

How, let me ask, do we try men here? Our committees are made up of seven democrats and four republicans. The men on trial are generally republican officials. The triers are party adherents. They are sent here as such and they are inclined to act as such. As a general rule in the trial of criminals before our courts the accused has the sympathy and protection of the court or jury till his guilt is established by legal evidence, but in the trial of political offenders here the committee does not try as a judge or jury, but from the outset assumes the attitude of a prosecutor, and it is not to be wondered at that the proceedings are irregular—inadmissible testimony received and wrong conclusions reached. In trials before courts the judge is free from outside influence and pressure, while here there is no limit to such pressure and influence. I must say, Mr. Speaker, that in times like these I have not the highest regard for or the greatest confidence in the conclusions of committees which are designed to affect directly the result of a great and fierce political struggle for the control of the Government.

And when, Mr. Speaker, I gave myself to the candid and patient contemplation of the speech of the chairman I became more fully convinced than before that men who are brought under the ordeal of a political investigation cannot expect, except in the most clear case of innocence, to receive that fair, unprejudiced treatment to which they are entitled or which would be awarded them were they tried by impartial men and in accordance with the strict rules of law and evidence. The speech of the honorable gentleman from Missouri exhibits that bitterness, that personal feeling, and that hatred toward political opponents which seem at this time to so fill the breasts of many gentlemen on this floor. With such a feeling, and with such means as are used in the conduct of these investigations, who, I ask, can expect to stand? Men will do as political enemies what they would scorn to do as personal enemies; and I may be pardoned in this connection in referring to the investigation which brings before the House these reports and this discussion.

The committee has been daily at work for more than four months. Its members have been diligent and some of them active and zealous, and, in order that nothing should be left unknown, unread, unsearched that should bring to light fraud and corruption if it existed, the committee called about it and to its aid ex-officials, decapitated clerks and engineers, disappointed claim agents, defeated creditors, and such malcontents as volunteered their services, and the number

of this class was not small. The books, papers, and records of the commissioners and board of audit were at once ordered and put into the hands of these men who have had full control over them during the whole period of investigation. Scores of witnesses have been summoned and examined and many have volunteered their testimony. Bankers and business men have been brought from New York, Philadelphia, Baltimore, and other parts of the country, and I might say that no channel has been left untraversed for proof that these men could reach or could cause to be reached. The expense to the Government has not been inconsiderable, and what is the result? It is this, that a majority of the committee join in exonerating the commissioners of the District and the members of the board of audit. So far as they are concerned no crime has been unearthed, no fraud practiced, and no corruption proved. So far as this investigation goes they are vindicated as upright men, honest officials, and fully worthy of the positions they have occupied. The only charge that can at all be brought against them is that they have misconstrued the law under which they have acted; that they have exceeded their powers; but it is admitted by all, with perhaps one or two exceptions, that they have proceeded in good faith, without corrupt motives and with the very best intentions.

The commissioners came into power July 8, 1874, and just at the close of a long, tedious, and searching investigation of the affairs of the District under the administration of Governor Shepherd. It had been advertised all through this broad land that fraud, misrule, and gross wrong had been the guiding stars of that administration since its inauguration. Of all this, whether true or false, these commissioners had full notice. They came into power with full knowledge of all that was alleged or proven. They knew the eye of the country was upon them, and they knew that, whatever had been the character of the reign of the former executive power in this District, they would be watched with anxiety and with a hope for sound, economical, and honest government by the whole people. That there should be no mistake and that they might be relieved from all suspicion and all doubtful influence, they at once discharged the officers of the old government and called about them almost entirely a new set of employés. As their powers had been delegated by a recent law of Congress and the duties imposed by that law were numerous, varied, and important, and involved the expenditure of large sums of money, they called to their aid as advisers two sound and trustworthy attorneys, and upon their advice they have universally acted. They have expended and disbursed millions of money, and the report of the majority of the committee, which I maintain is justified in every material particular by the testimony, shows that they have expended it faithfully, economically, and for the best interests of the District and Government.

It is not even pretended, sir, by the gentleman from Missouri in his report or speech that the commissioners or the auditors, or either of them, have ever directly or indirectly received a farthing wrongfully; that they have ever had any interest whatever, however remote or insignificant it might be, in any contract, claim, or transaction connected with District affairs. The report of Judge BUCKNER does not even charge corruption, intentional wrong-doing, or even bad faith; and because this is true I am all the more surprised at the indictment he has prepared and submitted to this House in the form of a speech. I am at a loss to know, sir, what imagination could have preyed upon his mind that could have brought forth such an unwarranted, malignant, and groundless arraignment of these gentlemen. His report does not justify it and the proof does not sustain it. He talks often of Shepherd and Babcock, and attempts to connect these commissioners with them in the conduct of the business of the District, when in fact there has never been before the committee one word of testimony sustaining such a theory in the slightest particular. They have not been witnesses, and have not been shown to have any connection with any contract, claim, or proceeding relating to District matters since the new government was organized.

The gentleman says the contractors have been the old favorites of Shepherd and have bought real estate of him, &c. Now, this is the lowest kind of pettifoggery. The commissioners had not the power to select their contractors. The law transferred to them certain duties that had devolved upon the Shepherd government and compelled them to carry out legal existing contracts, and they could treat with none other than those who held contracts with the District on the 20th of June, 1874, the date of the act which brought them into existence. By the law they were compelled to recognize the contracts and contractors that Governor Shepherd should pass over to them when they should take charge of the government. They had and could have no voice in the selection. But, Mr. Speaker, I ought not and will not waste the time of the House in commenting upon those parts of the gentleman's speech, which seem to have been born in the crazed imagination of some wandering District malcontent.

Now Judge BUCKNER will admit that if his theory of the law of June 20, 1874, and the power of the commissioners under it is incorrect, his report and all its conclusions must fall to the ground; and this point I propose for a few moments to consider. There is no provision in the act of June 20, 1874, limiting in amount or kind the work to be done by the District commissioners. If such a provision had been inserted, the responsibility of the commissioners would have been definite and its enforcement would have been simple. Nor is there any mention in that act of the particular contracts of the late



board of public works which remained to be completed, nor of the number of such contracts. None of the alleged existing contracts of that date were declared by the act to be fraudulent and void. Congress did not undertake to decide how many valid contracts were in existence or how much it would cost to complete them or whether any were fraudulent, nor is there any indication in the act of an intention of Congress to limit to a certain amount the debt to be incurred under the District commissioners and the board of audit. The sixth and seventh sections of the act make it clear, on the contrary, that the aggregate of the debt was regarded as uncertain.

Of the seven classes of claims confided to the board of audit, four involved amounts wholly uncertain. I refer to the fourth, claims existing or hereafter created arising out of contracts of the board of public works; fifth, claims arising out of contracts of the District; sixth, claims for private property taken by the board of public works. As I have said, Congress could not and did not fix the limit of the debt.

Now, sir, while, as I have said, the act makes no express limitation of the amount to be expended, and there is no implied or absolute limitation, either by designation of the particular contracts to be completed or by restriction of the District debt to a fixed amount, it does most explicitly make it the duty of the commissioners to complete all valid contracts of the board of public works, to make all contracts necessary to the administration of the District law, to execute existing obligations and contracts, and preserve all improvements begun or completed. The control and charge of the work of improvements was given to the engineer, under the general supervision and direction of the commissioners. It was clearly the intention of the act of June 20, 1874, to authorize the commissioners to do all the work and labor which in their discretion they might regard as falling under the powers above enumerated.

I will now call the attention of the House to the law further.

The act of June 20, 1874, must be construed like all other laws, in its entirety, to ascertain the intent of Congress, the powers conferred upon the commissioners, the manner in which these powers were to be executed, and the means provided to enable the commissioners to execute them. The second section defines the powers with the limitations; that is to say, the commissioners shall have power to make all contracts necessary to the faithful administration of the valid laws enacted for the government of the District and the execution of existing legal obligations and contracts and the protection or preservation of improvements, finished or unfinished. From the nature of these powers it is evident that the intent of Congress was to recognize as valid and binding the contracts of the board of public works which were in existence at the date of the act. But as the law makes no provision as to the particular manner in which the contracts are to be executed, it is clear that Congress intended to leave that to the sound discretion of the commissioners, subject only to the general conditions inferable from the circumstances under which the act was passed; that the cost in bonds of the execution of such contracts should not in any considerable measure exceed the cost of executing them pursuant to their express terms and conditions.

Now, as to the means given to the commissioners to execute these contracts the law makes no provision, except the certificates of the board of audit convertible into 3.65 bonds. Unless these bonds were subject to the control of the commissioners for the execution of the work, it would result that a duty important to the best interests of the District, to wit, the execution of the legal contracts of the board of public works would devolve upon the commissioners, without any means whatever placed in their hands whereby they could discharge such duty. Such a construction of the law would be in violation of every recognized rule of legal interpretation and must be rejected. In fact, the chairman of the committee feels strongly the pressure of this argument, for he is forced by it into two distinct and inconsistent theories of the meaning of the law.

His first theory is that the board of audit could recognize no claim against either the District proper or the board of public works which had not originated prior to the date of the law and which was not perfected as a claim at that date; that the commissioners and board of audit were created by Congress in the nature of assignees of a bankrupt estate, and that their duty was to fund in 3.65 bonds the debts matured and perfected as claims on the 20th of June, 1874, and none other, and to wind up all the outstanding business of the District proper and of the board of public works absolutely to that date. This theory negatives the idea that the commissioners had any right whatever to incur a dollar's indebtedness after that date, either for the completion of existing contracts or for any other cause. The payments made by them were to be made for debts originating subsequent to June 20, 1874, and were to be made in cash.

His second theory is so inconsistent with the first that it is scarcely credible that the two proceed from the same mind. It admits that the law provided for the completion of the unfinished contracts of the board of public works; also that the board of audit was authorized to issue certificates for work done and to be done, and to deliver them according to the contract in each case; also, that if the work was done, was within the powers conferred, and done upon existing contracts made by the board of public works, the commissioners are not to be blamed for any increase of indebtedness, even though the debts should have been piled mountain high.

The first theory forms the basis of the denunciations contained in the speech of the honorable chairman. This is a theory of repudiation, which rejects every incomplete contract of the District proper and of the late board of public works, arrests them absolutely at the date of June 20, 1874, requires the measurements of every contract to be made up to that date, and leaves the contractor no other remedy than to sue for damages. This theory directly contravenes the recommendations of the joint investigating committee, that every debt, both of the District proper and of the board of public works, should be adjusted. Such a theory imputes to Congress the purpose to annul by law existing contracts without making any provision for the payment of damages to the person injured, and, in fact, making it impossible for the parties charged with the District administration to pay the damages which might be recovered. I cannot accept such a theory. It is inconsistent with the debates in Congress and with the respect of that body for established law. If acted upon it would have ruined not only the contractors concerned but the reputation of the District and of the United States Government for honorable and just dealing.

The second theory is just and sensible. It is the theory of the act of June 20, 1874. It is the one acted upon by the commissioners in which they have vindicated the integrity of the District and the honor of Congress. It is the theory which was indicated by the joint investigating committee in that report, and which faithfully carries out the recommendations of that report. Congress intended to provide not only for the payment in 3.65 bonds of the debt already contracted but of the debt afterward to be made in completing the unfinished improvements and fully performing legal existing contracts. The act of June 20, 1874, shows that it carefully provided for the payment of the current expenditures of the government out of the revenues from taxes, and that it devoted all the proceeds of the taxes for the fiscal year 1875 to certain items of expenditure which did not include any of the payments on these incomplete contracts. That is, it devoted to specific purposes, not including these contracts, every dollar to be raised from the taxes levied. The 3.65 bonds are the special fund out of which the extension contracts should be paid.

On this point the gentleman has in fact surrendered his strongest point. He admits in terms the power and duty of the commissioners to complete unfinished contracts. He says that he does not blame them for any increase of the indebtedness properly arising from the completion of unfinished contracts, but for the approval given by them to the issue of 3.65 bonds in payment. He claims that they should have paid either out of the tax revenues or out of the appropriations; at any rate, in cash. But in the act of June 20 all the revenues from back taxes were appropriated to other purposes than unfinished contracts; the same act designates what use shall be made of the taxes for the fiscal year 1875, and the act of March 3, 1875, limits the use of the taxes for the fiscal year 1876. No permission is anywhere given to use a dollar of the proceeds of taxes for completing unfinished contracts. Nor is there any appropriation by Congress for the purpose. The one of over a million, though couched in general terms, is based upon an itemized statement furnished by the commissioners, under date of February 18, 1875, which contains no item for unfinished contracts. No part of this money could be taken for the purpose. It is true, then, that there was not one dollar of money placed by Congress in the hands of the commissioners to be expended on this class of contracts. The usage of the District and of municipal administration forbade the general fund to be used for that purpose.

The gentleman then is reduced to this dilemma: he asserts the power and the duty of the commissioners to complete the unfinished contracts, holds them to exercise the power and perform the duty, but denies them the right to pay in the only fund provided by Congress. He places Congress in the absurd position of ordering the commissioners to complete the contracts while it provides no mode of payment. It is clear from the refusal of Congress to permit any use of cash for this purpose, and from the absence of any limitation of the use of 3.65 bonds, that the latter were intended to be used in the payment of the uncertain amount still to be expended to complete the unfinished improvements.

It is unfortunate for the argument of the gentleman that a distinguished Senator of his own party, as well as Messrs. BASS, WILSON, and HUBBELL, of the joint investigating committee, interpreted this law precisely as did the commissioners, their counsel, the board of audit, and the sinking-fund commissioners. This fact was elicited by a direct interrogatory propounded to the commissioners by the gentleman himself. Their plain answer on this point is treated by him in his speech with a redundancy of reprobation, as "a vain and artful attempt" and "a weak and groundless effort;" but it will be noticed that the gentleman did not dare to attempt to disprove it. The Senator was in the other wing of the Capitol; why was he not called? Is it possible that his attention was not called to the concurring statement on this point of the members of the board of audit and the commissioners.

With due respect to the gentleman from Missouri, I think his views of the law are not more entitled to respect than those of the excellent lawyers under whose advice the commissioners acted.

I will here add the words of the commissioners, as expressed in their answer:

Soon after the commissioners and the board of audit assumed their duties, the question arose as to the power of the board of audit to examine and allow claims

which might thereafter arise by the future performance of contracts made by the board of public works and not theretofore fully performed. This question was one for the decision of those officers.

The cognate question also arose as to whether it was the duty of the commissioners and of the engineer in their respective functions to stop work in progress under contracts of the late board of public works which had not been fully performed and to prevent the resumption of such work, or whether it was their duty to proceed with work under such contracts. Practically this involved the question as to whether streets and sewers should be left in their then unfinished and dangerous condition over large areas of the city, liable to waste and destruction, putting life and property in jeopardy, and involving the District in danger of vast liability at the suit of parties likely to sustain injuries. Before the commissioners had decided this question as to their powers and duties, and before the board of audit had decided the similar question respecting their own jurisdiction, the commissioners, in addition to their own counsel, sought the benefit of the views of a distinguished lawyer, who was then, and still continues to be, a leading member of one branch of the national legislature, and who had been a member of the joint committee of 1874 which had framed the act of June 20, 1874. The members of the board of audit were present at the consultation, and so also was the counsel for the commissioners. It resulted from this conference that the board of audit came to the conclusion that they possessed authority to examine and allow claims arising out of future performance of the class of contracts above mentioned; and conformably to this decision, and as a logical sequence therefrom, as well as from other provisions of the law, the commissioners of the District came to the conclusion that they possessed the power to permit the continued performance of such contracts, subject to examination of claims thereunder by the board of audit, and to the payment of the contractors, not in money, (as provided by the literal terms of the contract and as expected by the contractors,) but in certificates of the board of audit, (to be issued by that board after due audit of the accounts,) convertible into 3.65 bonds.

This decision of the board of audit necessarily recognized not only the power of the commissioners, but as well their duty to execute the several classes of contracts specified in the second section of the act of June 20, 1874. How they should be executed, whether in literal compliance with their expressed terms and conditions, or with modifications, (called "extensions") depended, within the limitations of the law, upon the consideration how the public interest would be the better promoted, which was of necessity, in large measure, if not wholly, an engineering problem, to be solved by the engineer of the District, on whom the technical duty devolved by law of executing the work under the contracts of the board of public works. In practice this was done. The engineer determined the manner of doing the work and where to be done, which determination he communicated to the commissioners in the form of a recommendation, which they approved. Thereafter the engineer supervised and directed the execution of the work.

The decisions with reference to their respective functions thus made by the board of audit and the commissioners are believed to be not only warranted but demanded by the provisions of the act of June 20, 1874.

The action of Congress which implicitly ratified the allowance by the board of audit of claims which arose under unfinished contracts of the board of public works by performance of them after the passage of the act of June 20, 1874, also approved the course of the commissioners in proceeding with the performance of such contracts. With reference to such contracts the commissioners of the District were by section 2 of the act of June 20, 1874, vested with the former power and authority of the board of public works, except so far as limited by the said act of June 20, 1874. Thus within the limitations prescribed by that enactment the commissioners succeeded the board of public works as a party to the unfinished contracts entered into by the latter board. Except so far as restricted by law in their power to make contracts and incur obligations the commissioners might as a contracting party and with the concurrence of the other party modify an unfinished contract with the board of public works. The limitation of law upon the power of the commissioners as to contracts and obligations is (see section 2 of the act of June 20) against the making of contracts or the increasing of obligations, "other than such contracts and obligations as may be necessary to the faithful administration of the valid laws enacted for the government of said District; to the execution of existing legal obligations and contracts, and to the protection or preservation of improvements existing or commenced and not completed at the time of the passage of this act."

Of unperformed and outstanding contracts made by the board of public works, (and to which the commissioners became by law a substituted party,) modifications necessary to faithful administration of the valid laws enacted for the government of said District, to the execution of existing legal obligations and contracts, and to the protection or preservation of improvements existing or commenced and not completed at the time of the passage of the act of June 20, 1874, might lawfully be made by the commissioners.

In the event of a modification within these limitations, a claim arising under the contract as modified was recognized by the board of audit as coming within their jurisdiction. It was a claim created after and created after the passage of the act of June 20, 1874, and arising out of a contract of the board of public works, and therefore it belonged to the fourth class of claims mentioned in section 6 of the act of June 20, 1874, which class is as follows: "Claims existing or hereafter created for which no evidence of indebtedness has been issued arising out of contracts, written or oral, made by the board of public works." Unless audited by the board of audit, such a claim would, upon a different construction of the act, have required to be separated into two branches: one branch pertaining to the strict and original letter of the contract and coming within the jurisdiction of the board of audit, and the other branch coming within the jurisdiction of the ordinary and municipal accounting officers of the District; and different modes of payment, by bonds in the one instance and cash in the other, would have been compelled, in respect of these two branches. To have carried out such a construction of the law would have been utterly impracticable in many if not all cases, and even where practicable would have led to confusion. Besides, the spirit as well as the letter of the act of June 20, 1874 requires that claims arising out of contracts with the board of public works should be submitted to the examination not of the subordinates of the commissioners of the District, filling the position of accounting officers of the District, but of a board of audit, composed of the Comptrollers of the United States Treasury and the highest accounting officers of the United States Government—presumably selected to compose the board of audit on account of their personal qualifications as well as their official positions, and on account of their independence as respects the executive authority of the District; and these officers were invested with authority to employ experts and assistants for such compensation as they might deem proper.

In the making of modifications or extensions of contracts of the board of public works it is but reasonable to presume that the law committed to the executive authorities a reasonable and fair discretion in relation thereto. And in the management of the "work of repair and improvement of all streets, avenues, alleys, sewers, roads, and bridges" the commissioners were by law invested only with authority of "general supervision and direction," while the engineer had that direct authority of "general supervision and direction," while the engineer had that direct charge and control of the work for which, both in determining what work should be done and in carrying it on, the exercise of professional qualifications is required.

And in this connection the undersigned say, in answer to each and every interrogatory relating to improvements and work made or done under their administration, payable in 3.65 bonds, whether made or done pursuant to the exact terms and conditions contained in contracts of the board of public works, or under such ex-

tensions or modifications as were recommended by the engineer, and which they approved, that they exercised the powers only which they understood were conferred upon them by the act of June 20, 1874, and that they never made nor modified any contract which was not regarded by them as falling within one of the three classes of contracts they were authorized to make, namely, in administration of the valid laws enacted for the government of said District in execution of existing legal obligations and contracts or necessary to the protection or preservation of improvements existing, or commenced and not completed, at the time of the passage of said act; and they disclaim ever having exercised any power or performed any act relating to or in any way connected with the execution of contracts specified in the second section of said act or otherwise, or relating to any matter or thing since their entrance upon their offices as commissioners of the District, which they did not consider it was their legal duty to exercise or to do and as to which they say they always consulted one or both of the attorneys of the District whenever, upon the question presented for their decision, doubt occurred to them, as to how such questions should be legally decided, and, in every case of the submission of such questions to the said attorneys or either of them, they decided as advised by their said counsel.

I will now attempt somewhat to follow the chairman of the committee in his speech and to answer the same, and I desire to say that my statements will not be based upon rumor, but upon the facts as they appear in the testimony. The gentleman from Missouri has taken two cases of contracts, Nos. 582 and 916, upon which he has dwelt at length in attempting to show that the commissioners of the District have committed a great wrong or exceeded their authority. Now, I wish to state the fact in regard to these two contracts:

Contract No. 582, dated October 23, 1872, with James W. Walsh, provides for grading Eleventh street east between Pennsylvania avenue and H street north, was recognized by the commissioners November 25, 1874, under the advice of the assistant attorney, as an existing legal obligation, and extension drawn December 7, 1874, recognizing Walsh's assignment of the contract to William Hussey, who had been found at work upon the street on July 7, 1874.

For work done upon the original contract under the commissioners the cost has been \$27,398.10.

Under this contract less work was permitted than had been contemplated by the board of public works, the grades being changed so as to diminish the amount of excavation over a large area east of the Capitol. In conformity with the opinion of the attorney for the District that contractors under such circumstances were entitled to an equivalent amount of additional work, the extension of April 8, 1875, was drawn. Under this extension the cost (considerably less than an equivalent for the work withdrawn) has been \$5,734.66. In the grading of the street the curb, foot-walks, and covering of the carriage-way were removed and the street left without pavements of any kind. The extensions of July 9, July 23, and October 25, 1875, were for the purpose of replacing this material and completing the improvement of the street. The cost under these extensions (much less than would have been the cost of completing the improvement upon the entire line of the contract) has been \$45,823.50. As extra work the contractor was directed to lay the foot-pavements upon New Jersey avenue, between M and O streets northwest, the grading, curbing, and wood pavement on the carriage-way having been completed under the board of public works. It would have been liable to injury in the unfinished state of the improvement. Cost, \$4,932.76.

The extension of September 3, 1875, provides for the improvement of Fourth street between M and O streets northwest, and N street between Fifth street and New Jersey avenue northwest. The work was important and necessary to complete the connection with surrounding improvements, from which these localities were cut off by the change of grade, the streets and avenues being cut down around them; cost, \$29,008.81.

The total expenditure upon this contract and all of its extensions under the commissioners has been \$112,901.66. The cost of completing the original contract, with the additional amount of grading contemplated under it and the completing of the improvement of the street within the limits of the contract, in accordance with the general plan of the board of public works, would have been \$111,562.44; besides which an increased cost of \$183,812 would have been incurred in the grading of parallel and intersecting streets, which were also under contract, in order to make them conform to the deeper cut which had been contemplated.

Contract No. 916, dated September 26, 1873, with John O. Evans, provides for laying Scharf concrete on the carriage-way of B street north, between First and Second streets east; was reported incomplete in the annual report of November 20, 1874. The work at that time authorized was completed, but the contract was not terminated. No final settlement had been made with the contractor.

The subsequent extensions of the commissioners increased the amount of work.

This contractor, and after him his assignee, in whose name the various extensions are drawn, controlled the Scharf patent concrete pavement, one of the two concrete pavements selected for use in the District to the exclusion of all others which had been tried by the board of public works, after a long and careful investigation of their relative merits. The extension of May 10, July 5, August 5, August 6, and October 22, 1875, provide for the paving of the carriage-way with Scharf patent concrete of Fifteenth street, between Rhode Island avenue and S street northwest, and other streets, upon all of which the improvements had been previously completed in other respects under other contracts.

It may be stated, generally, that the completion of the improve-



ment of these streets, in other respects, necessitated the paving of the carriage-way for the protection and preservation of the improvements made, and that considerations of sound economy dictated the use of a pavement suited to the locality, rather than a temporary make-shift, of which the cost must be wasted.

On Fifteenth street, west, contract No. 806, of the late board of public works, with J. E. Gregg, dated August 5, 1873, provided for a wood pavement, as also upon other streets, but the contractor was not allowed to proceed with the work, concrete being substituted. This contract (No. 806) provided for an expenditure of \$118,096.03 for wood pavements, no part of which has been permitted. On Fifteenth street the cost of the concrete pavement has been \$26,977.28, and upon all the other streets covered by the extensions of the commissioners, \$86,682.88. So that a total expenditure is here represented of \$113,660.16, as against a saving, by the suppression of wood pavement, of \$118,096.03.

So it will be seen that the course adopted by the commissioners in regard to these two contracts has absolutely saved many thousand dollars to the District, and that the work as done under them by the commissioners will prove far more beneficial than would the work if done in exact conformity to the terms of the contract; and in this connection I will say there were many contracts in existence when the commissioners took charge of the government which provided for the laying of wood pavements. Hundreds of thousands of dollars must be expended in this work if the contracts were carried out to the letter. The contracts were binding and the contractors were demanding the right to proceed under them. It was necessary to pave the streets with something. That wood was expensive, unsuitable, and of short life, everybody agreed. It was in fact a mere waste of money to use wood. Experience in this city had fully established this fact, and the commissioners so modified contracts that the best approved concrete pavements should be substituted for wood. Now the gentleman from Missouri [Mr. BUCKNER] says this should not have been done, as there was no authority in the law for such a change. I take it that all will agree that in this matter the commissioners acted discreetly and for the best interests of the District. The cost of carrying out these contracts as modified was less than it would have been had they been executed as originally drawn or as they existed when the commissioners came into power. The result is that we have good concrete pavements where we should have had decaying wood, and this with a saving of expense to the Government. And now, I ask, are the commissioners to have no credit for this? If they had adhered to the letter of the contract and laid wood where they could at less or the same cost even provided concrete, they would have not only been condemned by the gentleman from Missouri but by every gentleman in the House.

It is true that in modifying some of the contracts, which the commissioners recognized as existing legal obligations, the amount and cost of the work was increased, but in others the amount and cost was diminished; and the proof shows that on the whole the cost to the Government will be less, as the contracts were executed under modifications and extensions, than it would be if the contracts had been performed in accordance with their original terms and the general plan for improvements and within the limits covered by them. I will submit a table of cost and estimates that is official and fully establishes my statement. The table, with explanations, may be found in the testimony taken by the committee, pages 142 to 143; but to save trouble to members I will have it printed at this point in my remarks.

Recapitulation of tables 1, 2, 3, 4, and 6.

WORK COMPLETED AND AUDITED.

Number of table.	Done under the board of public works.	Done under the commissioners.				Total.	Aggregate.
		Under contracts and extensions of the board of public works, including oral contracts and repairs under ninth section of contracts.	Under extensions of the commissioners.				
			Work upon the main sewers for their protection and preservation, and that of adjacent improvements.	Additional work of improvement considered necessary and important, including sewerage.			
1	\$3,624,000 32	\$2,560,853 10	\$80,660 11	\$1,515,663 19	\$4,357,176 40	\$7,021,176 72	
2	74,941 98	316,124 24	15,670 24	219,339 90	534,134 98	625,076 96	
3	1,430,923 74					1,430,923 74	
4	2,548,291 90	809,344 23			809,344 23	3,357,536 13	
6	( <sup>c</sup> )	( <sup>c</sup> )	( <sup>c</sup> )	( <sup>c</sup> )	104,362 15	104,362 15	
	7,678,137 94	3,686,221 57	289,330 95	1,735,003 09	5,824,817 76	13,502,975 70	

Recapitulation of tables 1, 2, 3, 4, and 6.—Continued.

WORK COMPLETED, NOT AUDITED.  
(Estimated in 3.65 bonds at par, as heretofore payable.)

Number of table.	Done under the board of public works.	Done under the commissioners.				Total.	Aggregate.	Grand aggregate, (audited and not audited.)
		Under contracts and extensions of the board of public works, including oral contracts and repairs under ninth section of contracts.	Under extensions of the commissioners.					
			Work upon the main sewers for their protection and preservation and that of adjacent improvements.	Additional work of improvement considered necessary and important, including sewerage.				
1	\$594 77	\$47,937 13	\$17,475 11	\$66,406 36	\$131,818 60	\$132,413 37	\$8,113,590 09	
2		5,131 02		5,026 37	10,157 39	10,157 39	639,234 35	
3		615 86			615 86	615 86	1,430,923 74	
4		( <sup>a</sup> )	( <sup>a</sup> )	( <sup>a</sup> )	( <sup>a</sup> )	( <sup>a</sup> )	3,357,536 13	
5							104,262 15	
	594 77	53,684 01	17,475 11	71,432 73	142,591 85	\$143,188 62	13,646,162 32	

SUMMARY.

Number of table.	Cost under the board of public works.	Cost under the commissioners.	Actual cost of the work from June 20, 1874, to date, under the commissioners, including the additional work which has been required upon the main sewers, and the cost of repairing old board work, under section 9 of the board contracts.
1	\$3,624,395 09	\$4,648,407 41	\$4,488,995 00
2	74,941 98	460,121 49	564,292 37
3	1,430,923 74		
4	2,548,291 90		809,860 09
6			104,362 15
	7,678,752 71	5,108,528 90	5,967,409 61
Deduct cost of repairs under ninth section of contract.		809,860 09	
Deduct cost of work upon main sewers, necessary for their protection and preservation, and that of adjacent improvements.		316,806 06	
Deduct material on hand as asset.		104,262 15	
Total deduction.		1,230,928 30	1,230,928 30
Expended upon the work of improvements.			4,736,481 31
Estimated cost, &c.			5,108,528 90
Difference in favor of commissioners' work.			372,047 59

\* Included in above.

† Miscellaneous work. Cash cost, with 50 per cent. profit expressed in 3.65 bonds at seventy cents, as per terms of contract for these items.

‡ This is the value of material on hand, added to make up the total of expenditures and liabilities. All of this, however, will be issued for the continuance of the work, and the whole amount is hereinafter deducted as an asset.

§ This is subject to deduction on account of inferior material or workmanship, upon final examination of the work.

NOTE 1. Contracts and extensions of board of public works recognized as being existing legal obligations on June 30, 1874, and extensions of the same by the commissioners where the original contracts are those which have appeared in the printed reports of the late board of public works.

NOTE 2. Contracts and extensions of board of public works recognized as being existing legal obligations on June 30, 1874, and extensions of the same by the commissioners where the original contracts are those which have not appeared in the printed reports of the board of public works.

NOTE 3. Contracts and extensions of board of public works, on which measurements have been made under the direction of the engineer of the District of Columbia, and at the request of the board of audit, the work having been completed under the board of public works.

NOTE 4. Expenditures for repairs of contract work under section 9 of the original contracts where the cost is to be collected by suit from the contractor or his sureties.

NOTE 5. Statement of material on hand July 8, 1874, received and issued since that time, and now remaining on hand.

## REMARKS.

The comparison which is made between the footings of the last two columns of the "Summary" will be better understood with the following explanation: In the work done by the commissioners up to this date, the original plans of the board of public works have, in some instances, been modified so as to substitute a better class of work, thereby increasing the cost; as in the case of the sea-walls of the James Creek Canal, the pavement of the carriage-way of Maryland avenue southwest, and the foot-walks of the same avenue northeast, while the parking has generally been dispensed with and the grading materially reduced. No account is taken of the incidental saving to public and private property in the future improvement of intersecting and adjacent streets in consequence of the reduced amount of grading, although this is considerable. On the other hand, in the computation of the estimates for the perfection of the board work (column next the last) the general plans of the board of public works have in some cases been taken as a guide where the contract seemed inconsistent with them; as in the case of Maryland avenue northeast, where gravel foot-walks were provided because the board of public works were unable to purchase bricks for their paper; and upon the same avenue southwest, where a blue-rock pavement was provided for the carriage-way, although this class of pavement has been condemned and replaced by other pavements on less important streets, and that of Belgian blocks for the avenue was in harmony with the general plan of improvement. In such cases, of which there are very few, the increased expenditure under the commissioners is offset in the column of estimates being included in it. But where the modification was not in accordance with the plans of the board of public works, as in the case of the change in the character of the sea-walls of the James Creek Canal, the increased cost is not included in that estimate. To these estimates, as made at board rates for each class of work, according to its measurement, is added here the usual percentage for engineering work of this description.

Work remaining incomplete under contracts canceled in pursuance of the joint resolution of Congress approved March 14, 1876, and the circular-letters of the commissioners of September 30, 1875, and February 5, 1876, is as follows:

First. Work under contracts not otherwise forfeitable than in pursuance of the joint resolution of Congress approved March 14, 1876, and the previous circular-letters of the commissioners of September 30, 1875, and February 5, 1876, (with 10 per cent. for contingencies.) = \$242,949.39.

Second. Work under contracts of doubtful obligation in other respects, the commissioners having terminated the work under the terms of the contracts, under the advice of counsel, (with 10 per cent. for contingencies.) = \$210,344.52.

See explanation of tables in text of engineer's report accompanying this.

The report of the majority of the committee, submitted by myself, shows a large reduction in the bonded debt since the District commissioners have been in power to the amount of a million and a half and more, the greater proportion of which has been paid from the revenues of the District and not out of congressional appropriations. It also shows that the number of employes has been reduced from three hundred and seventy-one to one hundred and thirty-three, and that the reduction in expenditure on account of salaries has been over \$288,000 annually. The report also shows, and such is the proof, that the financial affairs of the District generally have been managed with great care and to the manifest interest of the District and the Government, for all which neither the minority report submitted by Judge BUCKNER nor his speech utters a single word of commendation.

I desire now to call the attention of the House to the facts as developed by the testimony and upon which the report submitted by myself is based, and shall show in the same connection that there is no foundation either in fact or theory for such a report as has been submitted by Judge BUCKNER, and hence no foundation whatever or cause even for the delivery of such a speech as his upon this subject. The gentleman from Missouri [Mr. BUCKNER] attempts to show, not only by his report and speech but by the conclusions of the joint committee of 1874, that the 3.65 bonded indebtedness of this District should not at this time exceed the sum of about \$10,000,000, and he maintains, consequently, that the commissioners have contracted a debt without authority of law and wrongfully to the amount of four million dollars and over for which 3.65 bonds have been issued. He takes as the basis of his calculation the sum of \$10,006,514.66, which, as he says, is made up of the following items:

## Statement of certificates issued and unadjusted claims.

Class No.		Actual issue and estimate, December 1, 1874.	
		Certificates issued and unadjusted claims.	Total.
1	Sewer certificates .....	\$898,942 29	\$1,103,542 29
	Sewer certificates outstanding and unadjusted.....	204,600 00	
2	Auditor's certificates, board of public works .....	4,170,030 63	4,484,144 52
	Auditor's certificates, board of public works, outstanding and unadjusted.....	314,113 89	
3	Auditor's and comptroller's certificates of District of Columbia .....		1,897 06
4	Contract work, certified .....	1,088,757 84	9,547,116 83
	Contract work, unadjusted and outstanding .....	1,458,358 99	
Total .....			10,006,514 66

## Statement of certificates issued, &amp;c.—Continued.

Class No.		Actual issue and estimate, December 1, 1874.	
		Certificates issued and unadjusted claims.	Total.
5	General claims against the District, certified.....	22,547 43	297,797 09
	General claims against the District, outstanding and unadjusted .....		
6	Old material, property, not issued.....	Estimate .....	380,344 59
7	Damages to real property, certified .....	84,689 57	463,094 85
	Damages to real property, outstanding and unadjusted .....		
		333,996 50	
8	Sewer taxes refunded, certified.....	531,862 36	468,686 07
	Sewer taxes, outstanding and unadjusted.....	95,823 16	
Total .....			557,686 52
Total .....			10,006,514 66

Now, the gentleman admits that the 3.65 debt should be the above amount, but in order to obtain this amount he is compelled to allow as correct the sum of \$2,547,116.83 which was expended entirely for work on contracts, and extensions of the same, of the old board of public works. The joint select committee reported, June 16, 1874, that \$1,325,000 would complete all these contracts, while December 7, the same year, the commissioners had expended and found due on these contracts the sum of \$2,547,116.83. This, Mr. BUCKNER says, is right. Now, this is the point. He claims the wheels of government should have stopped with the making of the report of December 7, 1874. This was impossible. Congress did not provide as was expected a new government, and on the 4th of March adjourned leaving the commissioners still in power with no change of law regarding their duties. On December 7, 1874, the date of their report, they had recognized ninety-nine contracts of the late board of public works as existing legal obligations on the 20th of June, 1874. At the date of the report work was progressing on some or all of them. Could it be stopped? Certainly not. Congress was the only power that could interfere. It was in session and took no action. Not only this, during the same session Congress passed a joint resolution continuing the board of audit until otherwise provided by law, and on the 15th of February, 1875, and during the same session, the board of audit reported that there had been presented for work done on these contracts since the date of their last report, December 7, 1874, claims to the amount of \$706,776.54. This report also said: "This class includes the continuation by the commissioners of work under old contracts" which had not been fully completed prior to the change of the District government, and it also stated that additions would be made to class 4 by the continuation of work under old contracts.

Thus it will be seen that as late as February 15, 1875, and twenty days before Congress adjourned, Congress had full and official notice that work was still progressing on these contracts, and that the indebtedness under class 4 was being continually and daily increased; but it took no action, and it must be assumed fairly that Congress approved or acquiesced in the management of the commissioners and board of audit regarding District affairs. It certainly took no steps to prevent the further prosecution of the work. I desire further to state in this connection that the engineer reported on the 7th of December, 1874, that the cost to complete contracts resumed at that date payable in 3.65 bonds would be \$1,721,270.11. Now, taking Judge BUCKNER's basis of \$10,006,514.66 as the 3.65 debt December 7, 1874, he certainly must admit that that amount should be increased by the sum of \$1,721,270.11, as those contracts were completed and that sum was expended, and he does not question the validity of these contracts or the right of the commissioners to complete them and to pay in 3.65 certificates or bonds.

My friend has heretofore claimed that the \$1,721,270.11 reported as the cost to finish contracts was a part of or was included in the \$10,006,514.66. To put this question forever at rest, I will submit at this point a communication from the board of audit:

To the commissioners of the District of Columbia:

The statement in the report of the board of audit of December 7, 1874, (Executive Document, part 6, Forty-third Congress, second session, page 265,) is confined exclusively to claims of class 4.

The aggregate of claims as there given is \$2,896,537.78. This was the actual amount of the claims of this class which had been presented and filed at the date to which that report was made up and is given in the report as "claims presented." Of this amount the board of audit had at that date issued certificates to the amount of \$1,088,757.84, and there had been withdrawn and disallowed \$349,421.05; total acted upon, \$1,438,178.89; leaving the balance unadjusted \$1,458,358.89, of which sum \$56,166.24 was for percentages retained on accounts for contract work which had been allowed and certified.

It further appears from the report that this balance unadjusted did not include a large number of measurements for work then done which had been made by the engineer and returned to the board of audit too late to be adjusted and included in the report. If it is possible that there can be any question it may be stated distinctly that neither the \$1,088,757.84 of certificates issued nor the \$1,458,358.89 of unadjusted claims included the sum of \$1,721,270.11, or any part thereof, which is found reported as the engineer's estimate at that time of the cost of completing resumed contracts; neither, of course, could it have included any claim which had not then actually accrued or for work thereafter to be done.

The recapitulation on page 268 goes no further.

The amount of certificates issued of all classes..... \$6,858,727 18

Claims outstanding and unadjusted..... 3,147,787 48

Total..... 10,006,514 66



The latter covers nothing except claims which had then been presented, filed, and registered, but it is accompanied by the statement that "by a continuance of work under contracts, No. 4 will be ultimately increased."

It should be remembered that, subsequent to this report, Congress extended the time for filing claims of all classes, and also provided for the presentation and audit of claims not within the original jurisdiction of the board of audit, and the amount of the claims was thereby largely increased, and this of course would make an estimate of the actual ultimate indebtedness made prior to such action almost valueless.

The report of the board of audit of December 7, 1874, states that claims had been audited for work done under the commissioners, and that such work was still in progress, and it very clearly appears that the estimate submitted of the "ascertained debt of the District" was not intended as more than an approximate statement, and that estimate, so far as it relates to class 4, does not include any indebtedness except for work actually done or claimed to have been done prior to the date to which the report was made up.

The commissioners did not advise the board of audit at any time, officially, as to the work they intended to do; and no report of the board of audit embraced in the figures given any estimate of work to be done by the commissioners. The figures used by the board of audit included only the work that had been done, with the statement that by a continuance of work class 4 would be increased.

R. W. TAYLER,  
J. M. BRODHEAD.

JUNE 12, 1876.

Now, sir, taking Judge BUCKNER's figures as a basis, namely, \$10,006,514.06, and adding \$1,721,270.11 which was expended to complete the ninety-nine contracts in progress December 7, 1874, and we have \$11,727,784.77. Now, it will be observed that at this time only ninety-nine contracts had been recognized by the commissioners as legal existing obligations upon which work had been resumed. Since that date there have been sixty-four additional contracts of the board of public works recognized, upon which large amounts of work have been done. Now, these sixty-four contracts were of the same character and of the same legal force as the ninety-nine contracts, and if it was proper under the law to recognize and resume work under the ninety-nine contracts, and this Judge BUCKNER admits, it certainly was competent for the commissioners to recognize and resume work upon the sixty-four additional contracts.

In the report of the commissioners for 1875, submitted December 1 of that year, the engineer reports that sixty-four additional contracts of the board of public works have been recognized as existing legal obligations, which, with the amounts to cover work considered necessary, will further increase the cost by \$2,146,580.86. He also states that the repair of contract work since the last report has cost \$666,123.12; so that in fact the 3.65 debt on the 1st of December, 1875, would be made up as follows:

Amount December 3, 1874, as per report	\$10,006,514.06
Estimated cost of completing ninety-nine contracts resumed at that date	1,721,270.11
Repairs of contract work since that date	666,123.12
Cost of sixty-four additional contracts resumed since that date	2,146,580.86
Total	14,540,488.76

This \$14,540,488.76 does not represent the full amount payable in 3.65 bonds, as the board of audit has audited and allowed claims under their jurisdiction having no reference to contracts of the board of public works recognized by the commissioners. I am quite certain, yes, I have no doubt of it, Mr. Speaker, that I have established the fact by the proof and the record that the calculations, figures, and theory of my friend from Missouri in regard to the 3.65 indebtedness are entirely incorrect and worthless. But to go back: The gentleman from Missouri has said much in regard to the action and findings of the joint select committee, and has based his calculations mainly upon the conclusions arrived at in the report of that committee. Now, sir, if it becomes clear that that committee was led into error or was not in possession of all and the necessary facts which would lead them to correct conclusions as to the probable debt of the District, it certainly was not the fault of the commissioners or the board of audit. That committee relied largely for its information upon the answer of Governor Shepherd which was dated February 28, 1874.

On page 14 of the report of that committee, under date June 16, 1874, is an estimate of the amount of indebtedness that would probably be funded in the 3.65 per cent. bonds then proposed by the committee as a measure of settlement.

This estimated amount is \$8,305,886.59, and includes under the second item an estimate of "amount due or to become due on incomplete contracts," amounting to \$1,325,000.

Observe, this amount included work *already done or to be done* to complete contracts. Now in fact the board of audit has audited an amount of \$1,717,000—I use round numbers—and the commissioners have paid in cash to laborers of contractors \$75,000; making in all an amount of \$1,792,000 paid for work actually done prior to June 20, 1874, and for which payment was actually due at the very moment the joint select committee made its report and presented its estimate of \$1,325,000 as the amount required to pay for work done or to be done on incomplete contracts. This amount of \$1,792,000 does not embrace one dollar expended under the commissioners.

Where did the committee obtain this sum of \$1,325,000 as the amount due or to become due on incomplete contracts?

On page 465 of Governor Shepherd's answer under date of February 28, 1874, will be found an "estimate of cost to complete contracts on which work has been begun or is in progress," the amount there given being \$1,325,911.62. The contracts embraced in this estimate are enumerated and are forty in number! They are embraced between numbers 702 and 1032 of the series of contracts of the board of public works. Subsequent to the date of this estimate, namely, February

28, 1874, and before June 20, 1874, the date of abolition of the board, sixty-seven contracts were signed, being numbers inclusive 1033 to 1099! No estimate appears anywhere for the cost of work to be done under those sixty-seven contracts.

Moreover, beginning with page 340 of this same answer of Governor Shepherd, is a schedule of contracts of the board of public works, from No. 1 to 1032 inclusive, detailing or professing to detail the condition of work on each and every one of those ten hundred and thirty-two contracts, whether complete or incomplete, suspended or abandoned.

As a matter of fact, when the commissioners took charge of the District affairs July 8, 1874, work was found to be actually in progress upon many of these contracts enumerated in the schedule as complete, suspended, or abandoned.

In the estimate of Governor Shepherd nothing is included for work to be done on any but the forty contracts enumerated by him, and it is evident that the committee was led to suppose those forty contracts were all the existing, valid, incomplete contracts, and all on which work would at any time be done.

On page four of the report of the joint select committee reference is made to this estimate of Governor Shepherd, in which it is stated, "He also submitted a list of contracts not yet completed, with the estimated cost of the completion of the work under them, amounting in all to \$1,325,911.62." It would seem, therefore, that the committee on June 16, 1874, the date of its report, considered the contracts included in that estimate to be all the contracts on which work was then being done or would thereafter be done, and that the amount of \$1,325,000 would embrace all due or to become due on incomplete contracts from and after the date of the governor's answer, namely, February 28, 1874.

It is clear, too, that the committee, in its estimate (on page 14 of its report) of the amount of indebtedness that might be funded in the 3.65 per cent. bonds, quoted from the answer of the governor, which applied only to the forty contracts. There is no intention to attack or to unfavorably criticize the estimates of the committee, but to show that the committee was not advised as to the facts in the case. It does not appear to have been aware of the existence of the sixty-seven contracts made subsequent to the date of Governor Shepherd's answer, and the committee could not well be aware of the progress of work on other contracts reported in the answers as complete, abandoned, or suspended, nor on any other existing contracts, unless the fact was brought to its attention. My object is to show that the estimated amount of indebtedness was wholly unreliable. As an evidence, there has been actually paid, as an amount *already due* on incomplete contracts on the 20th of June, 1874, the sum of \$1,792,000, or about half a million of dollars in excess of the estimate of what was due and to become due. In round numbers, about \$10,000,000 has been audited by the board of audit as the indebtedness of the District on June 20, 1874, and fundable into 3.65 per cent. bonds under the act of that date, which amount of \$10,000,000 includes nothing for work done under the commissioners. As a matter of fact, the commissioners have recognized one hundred and forty-six contracts instead of forty as valid existing contracts on June 20, 1874, and they have done work under the ninth article of seventeen contracts to a large amount, for the recovery of which amount suits are instituted or being instituted against the contractors and their bondsmen.

At this point I will publish a statement or table showing just what the debt was June 20, 1874, and the error fallen into by the joint committee in its estimate:

1. Auditors' certificates, amount certified	\$4,390,600.94
2. Contracts due prior to June 20, 1874	1,788,228.54
3. Damages	827,625.68
4. Sewer certificates	1,035,385.24
5. Sewer tax	552,784.60
	8,594,655.00
Amount certified, class 3	1,897.06
Amount certified, class 5	385,809.25
Amount certified, class 6	151,551.69
Bowen claim	1,463.58
	9,135,436.58
Due June 20, 1874, as certified by board of audit	87,350.00
Not presented, class 1	15,160.15
Not presented, class 2	569.29
Not audited, class 2	314.00
Not audited, class 3	4,938.48
Outstanding, class 8	43,610.57
Not audited, class 4	199,377.69
Audited and certified or to be certified to commissioners, class 6	116,611.72
Not certified and outstanding, class 6	74,782.65
Paid for labor by commissioners	

Total indebtedness June 20, 1874 9,678,170.53  
Committee's estimate, including incomplete contracts 8,305,886.59

Excess of actual indebtedness 1,372,283.94

The above is the statement I made to you in January last, corrected in accordance with the subsequent action of board of audit, and I believe it to be substantially correct. This does not include the \$470,000 sewer bonds redeemed by commissioners.  
S. M. WILCOX,  
Late Assistant Accountant Board of Audit.

JUNE 6, 1876.

Now, I desire in this connection to state further that the cost of the completion of the forty-seven contracts resumed after December 5, 1874, and of all extensions or modifications of the one hundred and forty-six contracts on which work has been resumed at any time by the commissioners is only \$1,933,333.39. This information has been

furnished me by the commissioners of the District, and I have no doubt of its reliability.

I will now, Mr. Speaker, discuss a little further the question of extensions and modifications of contracts which seems so much to annoy my friend from Missouri. I have heretofore shown, I think, that the commissioners had power under the law to make modifications and extensions of contracts. Now, as to the expediency of making them there can be no doubt from these considerations:

First. It saved money to the District; and,

Second. It is shown by the facts that the work done under these modifications and extensions would prove to be of far greater value to the District than the work contemplated by the original contracts. The modifications consisted largely and almost entirely in transferring work from one street to another street or locality, or in the change of grade, or in the amount and kind of work to be performed. The commissioners of the District when considering a contract, if they became satisfied that the work if done would be of little or no real value to the District on account of location or for other good cause—and the contractor demanded the right to proceed under his contract, invariably secured such a modification as would transfer the work to a locality where the same was actually needed and would result in immediate and permanent benefit to the District.

In this course I think the commissioners are to be commended, as when they came into power they found the streets and avenues in a very deplorable condition; streets graded, with no pavements; sidewalks, curb-stones torn up or partially laid, and this in many instances in the most populous portions of the city and where there were no contracts for completion. And in order to put these streets, avenues, and sidewalks in a proper condition for use, I maintain it was their duty to make such modifications and extensions as would transfer work to these localities where it was so much needed.

Upon this question the commissioners in their answer to interrogatories of the committee use the following language, and in it is a full answer also to the charge made by Judge BUCKNER, that certain work might have been done for less price than was paid for it.

Upon the recommendation of the engineer, who has under the law control and charge of the work of repair and improvements, we have modified many of the contracts as the public interest and necessities of administration required. These modifications consisted sometimes in the substitution of one kind of work for another; of work in one locality for that contracted for in another; of a diminution of work under contracts when such diminution was practicable, and the work could be dispensed with; of additional work considered necessary and important, and in other matters of detail. All these will fully appear in each case in tables 1 and 2 accompanying the engineer's report. The cost of these modifications is stated in detail in these tables. For some years past these modifications have been known in this District under the technical name of "extensions," which term has been accepted by contractors and others, and is in common use. It does not necessarily imply an increase of work, but designates all modifications of contract, whether by enlargement or diminution of the work in the original letter of the contract, or change of kind or locality. The extension has been given to the original contractor, except when it has been given to some third party by virtue of section 5 of the contracts used by the board of public works, when it considered the contractor as delaying unnecessarily the work or willfully violating his contract, to employ other parties to finish it at the expense of the contractor, or by virtue of section 9 of said contracts, which obliged the contractor to keep his work in repair for a limited period, generally three years, and empowered the board of public works upon the contractor's failure to so keep his work in repair after due notification of its defective condition to make the repairs at the expense of said contractor, and except, also, in the case of the approval by the commissioners of the assignment to other parties of his right by the contractor.

We know of but one case in which parties other than the contractor have offered to perform a contract at a less price than the sum named in it. The offer was informal in every respect. The circumstances attending it have been fully explained in the evidence taken before your committee; it related to a contract for Eleventh street east, which had been made with James Walsh, who had assigned it to William Hussey. An oral offer was made to a former member of this committee to do the work at a less rate than the terms of the contract. The commissioners had no authority to repudiate the existing contract in favor of the applicant. A proposition in writing was received for resurfacing concrete pavements at a lower rate than the price required by the terms of the contract already made for this work. But even if the commissioners had not been called upon to repudiate an existing contract for the purpose of accepting the offer, the bad character of the former work of the party making the offer, and the fact that he did not control either one of the two patents acceptable to the engineer for the concrete pavement, would have prevented its acceptance. We have recently heard that it is claimed that one Langdon made us an offer to do for nothing the repairs required on the work of Charles E. Evans, or the Evans concrete company. No such offer was made to us; we understand that a casual remark about an offer to repair was made by Mr. Langdon in a conversation with the engineer, and that he was invited by that officer to put his offer in writing; with this Mr. Langdon did not comply, but offered, as we are advised, soon after in writing, to the engineer to do the work for pay. He made, however, no allusion to any intention to repair the work of other contractors at his own expense. We are informed that at the time when it is claimed that the offer was made Mr. Langdon was suing Mr. Evans for an amount alleged to be due him on account of this work, and as the subsequent expenditures on account of the repairs on the Evans contract exceeded \$300,000, we think it unnecessary to make further comment on the pretended offer.

The gentleman from Missouri has commented upon the acts of the commissioners in the purchase of sewer-pipe. Upon this subject they say in their answer that—

Two contracts were made after due advertisement for a limited quantity of sewer-pipe. The pay was to be in cash. These contracts are Nos. 13 and 15, new series, and are mentioned in table No. 5 of the engineer's report. They were subsequently canceled by mutual consent, and the pending orders under them annulled. It was not intended at the time these contracts were made to use the pipes in connection with contracts of the board of public works, as the contractors were under obligation to furnish their own material, but experience demonstrated that in order to secure good material, particularly that which was to be placed under ground, chiefly sewer-pipe, it was necessary that the engineer should furnish the pipe to the contractors. This course, therefore, was adopted by the commissioners on recommendation of the engineer, and orders of the late board of public works were extended to include the material required for the completion of the work in hand. No additional expense was incurred in consequence of these contracts or orders, as

the new material was issued to the contractors at the actual cost in part payment of the work performed; it was in every case charged to them upon report of the engineer by the board of audit in the settlement of their account. This course was acceptable to the contractors, because it enabled them to secure material of quality good enough to pass a thorough inspection at a lower rate than they could purchase the material of commerce in open market. This method of doing business, in our opinion, better protected the interests of the District, and entailed upon it no additional cost for the work. The recommendation of the engineer was not adopted until after we had brought the matter to the attention of the board of audit and ascertained that in their view there was no legal objection to their auditing the accounts. The itemized statement called for will be found in table No. 6, engineer's report, transmitted herewith.

It would seem from this that this proceeding entailed no cost upon the District, but was beneficial, as it secured good material, and whatever its cost might have been it was charged up to the contractors. It made no difference whether the commissioners paid the contractor or other parties for this pipe.

Again, one of the remarkable admissions made by the honorable gentleman from Missouri is that nearly twenty miles of streets were improved during the year 1875 by the District commissioners in addition to the streets covered by the contracts of the board of public works. Taking this conceded fact in connection with the fact that the test in favor of the commissioners' work, as shown in the total cost at page 143 of the commissioners' answer to the interrogatories, as compared with that of the board of public works, was \$372,047.09, we think the commissioners could ask no higher compliment to the official ability of their administration. But this is no more than the commissioners can honestly claim under the facts as presented by the evidence.

It is proper, however, that I should add as a still further evidence of his reckless statements and disregard of the facts and testimony, that on nearly one-half of the streets he enumerates no work whatever has been done by the commissioners, and, where indispensably necessary to be done, the work was given in lieu of other work taken from the contractor and for which he could hold the District responsible, and was strictly in pursuance of the second section of the act of June 20, 1874. And, furthermore, nearly all the work undertaken has been completed.

Another matter to which the gentleman has referred with much feeling and upon which he comments at some length is the work done by way of repairs of contract work, which amounts in all to the sum of \$809,000. He characterizes this expenditure as the most inexcusable and reprehensible of all the acts of the commissioners, and says their construction of the law and the contracts in this regard is an insult to ordinary intelligence. Now the section in the contract under which this work was done is as follows:

Ninth. It is further agreed that if at any time during the period of — years from the completion of this contract any part or parts thereof shall become defective from improper material or construction and in the opinion of the said party of the first part require repair, the said party of the second part will, on being notified thereof, immediately commence and complete the same to the satisfaction of the party of the first part; and in case of failure or neglect of the said party of the second part so to do, the same shall be done under the direction and orders of the party of the first part at the expense of the party of the second part.

Under this article in the contracts, and it was in all of them, the commissioners in accordance with its terms where work was defective gave notice to the parties to put the defective parts in repair, and on their failure to comply the commissioners would repair the work and charge it to the contractor. The words used are:

And in case of failure or neglect of the said party of the second part so to do, the same shall be done under the direction and orders of the party of the first part, at the expense of the party of the second part.

Now I maintain that as a matter of law the District could have no claim for the cost of such repairs until they were first completed. A suit for damages could not lie *before* the work was done, because the amount to be recovered must be its cost, and the language declares that the work *shall* be done by the party of the first part and at the expense of the party of the second part. It seems to me there can be no question about this. Now there is no pretension that it was not necessary to do this work or that it has not been done economically. But, says the gentleman, the commissioners had no right to pay for this work in 3.65 bonds.

Under the head of fourthly in the sixth section of the act of June 20, 1874, the auditors are authorized to audit claims "existing or hereafter created for which no evidence of indebtedness has been issued arising out of contracts, written or oral, made by the board of public works."

Now, it strikes me that there can be no question that these claims arose out of contracts and that they belong to that class which can fairly be said to be created after the 20th of June, 1874, for which no evidence of indebtedness had been issued, and that it was perfectly proper to pay for this work in 3.65 bonds; certainly when we contemplate the fact that no other means were provided by the law or otherwise for the payment of such work. For all the money thus expended suits have been brought in favor of the District, and I have no doubt will be prosecuted to a successful termination. So that in fact there will be no loss to the District on account of this expenditure.

In the report submitted by Mr. BUCKNER he says: "We do not question the power and duty of the commissioners to make these repairs under the authority to protect and preserve improvements, complete and incomplete, but the work of repair must be paid for in cash, and not in bonds," while in his speech he takes the ground virtually that they had no right to make these repairs under any authority. Now, let us see. The law says that the commissioners may make and



incur such obligations and contracts as may be necessary to the faithful administration of the valid laws enacted for the government of said District, to the execution of existing legal obligations and contracts, and to the protection and preservation of improvements existing or commenced and not completed at the time of the passage of this act.

Now, the only means provided for paying for any of this class of work or indebtedness was the 3.65 bonds. If Congress had intended otherwise, it would have made an appropriation for that purpose. Congress did, in the act of June 20, 1874, provide money for District purposes by taxation, and also provided in section 4 of that act that the sums collected from taxation should be distributed, one-fourth to reimburse the United States for its advances on account of interest which shall have been paid by the United States on the funded debt of the District of Columbia and Washington and Georgetown, due and payable July 1, 1874, and the remainder shall be used to pay deficiencies in the various funds for the fiscal year ending June 30, 1874; and all the remainder of said taxes not required for the aforesaid purposes shall be distributed for the purposes and in the proportion provided by the act of the Legislative Assembly of the District of Columbia approved June 26, 1873, entitled "An act imposing taxes for the fiscal year ending June 30, 1874," so far as said apportionment is not inconsistent with this act. Now, the law of June 20, 1874, must be construed as a whole, and not by sections, and when thus construed there can be no doubt that Congress intended that every debt legally incurred under the act by the commissioners should be paid in 3.65 bonds, except where specific appropriations were made. In this view I am fully sustained by HON. LYMAN K. BASS, J. M. Wilson, and J. A. HUBBELL, members of the joint committee which prepared and presented to Congress the act of June 20, 1874, and I submit at this time what they say upon the subject:

HOUSE OF REPRESENTATIVES,  
Washington, D. C., May 15, 1876.

GENTLEMEN: In response to your inquiry of me as to my construction of certain provisions of the law of the last Congress approved June 20, 1874, providing for the government of the District of Columbia, and as to the intent of the joint committee which framed that law, in adopting and recommending such provisions to the favorable action of Congress, I beg leave to say that I think the answer is clearly and unequivocally found in the law itself. I find no ambiguity in its expressions. The object of the committee and the object of Congress was to abolish the then existing government of this District, as it provided in section 1 of the act, and to establish in its place a temporary government to exercise its functions until a new permanent form of government could be matured and adopted. By section 2 of the act certain substantial powers theretofore vested in the governor and board of public works were devolved on a commission to consist of three persons, under certain limitations. It was provided that they should make no contract nor incur any obligations other than such contracts and obligations as might be necessary to the faithful administration of the valid laws enacted for the government of said District, to the execution of existing legal obligations and contracts, and to the protection or preservation of improvements existing or commenced and not completed at the time of the passage of the act.

Thus power to make contracts and incur obligations for those three specified purposes was conferred upon the new commissioners, to wit:

First. For the purpose of administering the laws for the government of the District.

Second. For the purpose of carrying out the lawful outstanding contracts of the District.

Third. For the purpose of protecting and preserving existing improvements, or such as were commenced and were incomplete.

Congress in the performance of its duty in the premises could not well have done less. Not to have given the commission power to incur obligations in the administration of the laws, would have been equivalent to abolishing all government. Not to have conferred power and authority to carry out the lawful outstanding contracts of the District, would have been an attempt to repudiate and abolish such contracts in direct violation of the rights of citizens. The former government doubtless had the power to make valid contracts binding the District, and as to such contracts it was not sought to repudiate or annul them by legislative action. All questions as to what were or were not lawful contracts were remitted to the commission, as were such other questions as pertained to the methods of execution. The commission for these purposes and others was the executive authority of the District of Columbia, and was vested with lawful executive discretion in the exercise of its duties, such as is possessed by all executive officers. And if Congress had not given the commission power to incur obligations necessary to take care of existing property of the District, it would have been short-sighted indeed.

On reading your answers to interrogatories of the committee, I do not see that your construction of the law is different from that hereinbefore stated. The means for the payment of the obligations which might be incurred in performing existing contracts were provided for in sections 6 and 7 of the law, by which it is seen that the board of audit were required to audit and settle "fourthly, claims existing or hereafter created for which no evidence of indebtedness has been issued arising out of contracts written or oral made by the board of public works;" and for the amount of such claim so audited the sinking fund commissioners were authorized to deliver the 3.65 bonds at par in a like sum. No other provision is made by the law for meeting such indebtedness, and none other was contemplated by the joint committee, for reasons which are fully set forth in their report.

I believe the foregoing is a response to all your inquiries on this subject.

I have the honor to be, yours, very respectfully,

LYMAN K. BASS.

We have read the foregoing and concur in the views therein expressed.

J. M. WILSON.

JAY A. HUBBELL.

Honorable W. DENNISON, J. H. KETCHAM, S. L. PHELPS,  
Commissioners, &c.

In conclusion, Mr. Speaker, I desire to say again that I look upon much of the speech of the chairman of the committee as uncalled for, unwise, and unfortunate. It exhibits that kind of animus and contains that kind of unjustifiable insinuation and that want of candor and wisdom which always weaken the efforts and greatly detract from the excellence of the real statesman. I cannot think, sir, that the sentiments uttered by the honorable gentleman are shared in by his committee or a single member of it, and I will say, sir, that a majority of the committee have deliberately, with a full knowledge of the facts, declared that the officers of the District are incorrupt, faithful

men, and have done their work well, and for the best interests of the District.

If the theory of Judge BUCKNER is correct and the commissioners had carried it out, the District or 3.65 debt would to-day be thousands of dollars more than it is. They found themselves in possession of or parties to one hundred and sixty-three contracts for different kinds of work, and had they carried them out to the letter—and the gentleman both in his report and speech admits they had the power to do this—the burden upon the District would be greater than now, and many streets would have been improved when there was no need of improvement, and many of the streets in the populous and business portion of the city would have been to-day almost impassable. Not only this, sir; we would have had miles of short-lived wood pavements, when we now have durable concrete; a step, if taken, that would ultimately have increased the burdens upon the people of this District more than half a million of dollars.

Again, sir, if the contracts had been performed as they came to the hands of the commissioners, the damages to private property would have been a very large item, as all contracts required that the streets and avenues should be graded to the building line, while by the modifications made the grading was confined to the width of the carriage-way and sidewalks, and by the modifications nearly all parking between the sidewalks and the building lines was dispensed with, which was a saving of a large amount to the District.

No, sir, this is the point: If the commissioners had carried out the contracts as they were written, which would have entailed larger debt and unnecessary work, then the gentleman from Missouri would have cursed these men for not exercising their discretion and better judgment. He would have been dissatisfied any way. If they had not made the improvement or repairs which they have to preserve and protect property and the streets and avenues of the District, he then would have denounced them for having allowed property to go to waste and become useless.

No, sir; these republican commissioners could not in any event have suited the gentleman from Missouri. There must be a campaign document arising out of this District investigation, and the gentleman has produced it; but it will do no harm. It is not sustained by the proof nor by a majority of his committee. It must fail of its purpose. I have said his speech is unwise and unfortunate. It is decidedly so in this, that it has the tendency to injure the credit of the District. The District is not in its present condition by the fault of the gentleman from Missouri nor by my fault, and it is our duty as members of Congress, and especially as members of the committee, to do all in our power to establish the credit of this District. The debt is about \$22,500,000. Now, if the United States Government will pay its share, as it should do, owning more than one-half of the entire area of the territory here, the burden upon the District is not such as to impair its credit in the slightest.

Again, sir, the people of the District are entirely willing to pay their full share of this debt. They will do so cheerfully; and not only this: they are amply able. We find occasionally a citizen who is crying bankruptcy and that the District can never pay this debt; but this should cause no alarm, as the cry comes from chronic grumblers and generally from parties who refuse to pay their taxes or assume their share of the burdens of government.

I now consider District affairs to be in the best condition they can be, and firmly believe that the national capital has a promising future and that its credit is and always will be of that order which shall command the respect of the financial world. The investigation was for a purpose. The blow was aimed at the commissioners. It has failed of its mark and I have no hesitation in saying that these gentlemen as commissioners of the District have not only passed through the ordeal of a rigid investigation unscathed but have demonstrated the fact that the onerous and responsible duties committed to them have been honestly and judiciously performed, and with scrupulous regard for the best interests of the District and country, and such is the opinion of a majority of your committee. The resolutions are not presented as an arraignment of the commissioners, as the gentleman from Missouri says, by a majority of the committee. They had no such intention whatever and believe there is no cause for action against them.

District of Columbia Affairs.

## SPEECH OF HON. A. H. BUCKNER, OF MISSOURI,

IN THE HOUSE OF REPRESENTATIVES,

July 1, 1876,

On affairs in the District of Columbia.

Mr. BUCKNER. I ask that the resolution accompanying the report of the Committee for the District of Columbia may be reported.

The Clerk read the resolution, as follows:

Resolved, That the Clerk of this House be, and he is hereby, instructed to certify to the Attorney-General of the United States a copy of this report, with the accom-

panying evidence, for such action in the premises as he may deem proper under the law and the facts as developed in said testimony; that the Clerk of this House be, and he is hereby, further instructed to certify a copy of the evidence accompanying this report to the grand jury of the District of Columbia, with directions to investigate the criminal charges against parties referred to in said evidence as having been guilty of a violation of the criminal laws of the United States. And the Attorney-General is also directed, by the aid of such special counsel as he may appoint, to institute such proceedings as he may deem proper under the evidence to recover any and all sums of money which have been obtained illegally or improperly by any parties mentioned in said evidence.

Mr. BUCKNER. Personally I should have preferred a more emphatic condemnation of the official conduct of the commissioners, and not to have left the Attorney-General any discretion on the subject; but in this matter I yield to the opinions of the committee, who agree to this resolution unanimately. It is my purpose, as briefly as I may, to present some of the reasons which have influenced the committee to ask the adoption by the House of this resolution. It is intended as an arraignment of the official conduct of the commissioners of the District of Columbia since they have had the executive authority here, and it seeks to make these officers responsible on their bonds for the unauthorized increase of the debt of the District growing out of their illegal acts. They were required under the act of Congress to enter into bonds in the sum of \$50,000 each, to be approved by the Secretary of the Treasury, for the faithful discharge of their duties. I make no doubt that these officers are amenable on their bonds for misfeasance and want of faithfulness in the execution of their duties; and the resolution which has been reported by the Clerk remits the matter to the Attorney-General for his judgment and action in the premises. If I do not make out a case against these commissioners on the facts I shall present to the House, the law which requires the execution of these bonds should be repealed without delay, and these bonds vacated and annulled.

I am admonished by many considerations not to trespass upon the time or the patience of the House, and I shall therefore confine myself strictly to the reasons which should influence the House to adopt this resolution. It is in the nature of an impeachment against these officers for dereliction of duty in illegally and unnecessarily increasing the debt of this District and adding to the burdens of an impoverished and plundered people. In the report made to the House the grounds upon which this action of the committee is based are set out with some detail both as to the commissioners and the board of audit. But as the resolution affects the commissioners alone, I will direct my attention to them and to the law giving them executive authority in this District. The act of June 20, 1874, after abolishing the former government of the District and the board of public works and vesting the commissioners with general and specific executive powers as to the collection and disbursement of the revenues and the payment of the expenses of the various departments of the government of the District, such as the schools, police, &c., says:

But said commission, in the exercise of such power and authority, shall make no contract nor incur any obligation other than such contracts and obligations as may be necessary to the faithful administration of the valid laws enacted for the government of said District, to the execution of existing legal obligations and contracts, and the protection or preservation of improvements existing, or commenced and not completed, at the time of the passage of this act.

And in the same section it is provided that they shall not anticipate taxes by a sale or hypothecation of any such taxes or evidence thereof. With the exception of the provision in the third section of the act, that an officer of the Engineer Corps of the Army, to be detailed by the President, shall have the control of the repair and improvement of the streets, sewers, avenues, alleys, &c., in the District, "subject to the control and supervision of the commissioners," there is no other provision affecting the question of the powers of the commissioners than I have quoted above.

The second section contains both the grant of their powers and their limitation, and if the language I have given above does not grant to these commissioners the power to add to the debt of the District; if it does not give them authority to contract on behalf of the District, that its creditors or parties dealing with the District shall be paid in the bonds of the District, then they had no such power or authority.

It may be conceded that the second section above quoted gives the commissioners the power to enter into such contracts and incur such obligations as may be necessary to the faithful administration of the laws of the District and the execution of existing legal obligations and contracts, and the preservation and protection of improvements existing or commenced and not completed; but will it be pretended that they therefore had authority to authorize the issue of the bonds of the District in unlimited amount for the purpose of executing these legal obligations and contracts? The authority of an officer of the Government to contract for the issue of its interest-bearing obligations is never implied. The power must be expressly given or it cannot be exercised. The whole revenues of the District, amounting to two or three millions of dollars, were placed under their control, and most obviously here they were to find the means of executing these obligations and contracts and of preserving and protecting the improvements of the District, whether complete or incomplete. They were prohibited from anticipating the taxes by sale or hypothecation for any purpose; and yet will it be pretended that under the provisions of this second section they could bind the District to the issue of its bonds by the million?

But the real ground of complaint and censure of these commis-

ers is that it was not obligations or contracts existing at the passage of the act of June 20, 1874, that they concluded to satisfy in the 3.65 bonds of the District, and for which bonds have been issued amounting to between three and five million dollars, but contracts and obligations which they made themselves after that date—contracts which had no existence except by their act—and contracts but for their act without validity either against the District of Columbia or the board of public works. This is the accusation I bring against these unfaithful guardians of this District; it is for this flagrant violation of the law that I arraign them before the country and before this House, and demand that they shall be made responsible on their bonds for their dereliction of duty.

I have said that the second section of the act of June 20, 1874, with one provision in the third section giving the commissioners control and supervision of the public improvements of the District, contains the sole warrant and is the only chart of the authority of this commission.

The sixth section classifies the indebtedness of the District into eight classes, and transfers to the First and Second Comptrollers of the Treasury, as a board of audit, the duty of auditing, allowing, and certifying the then existing indebtedness of the District, and directs that the certificates thus issued may be converted into a fifty-year bond bearing 3.65 per cent. interest, payable semi-annually by another and independent board, the sinking-fund commissioners. The sinking-fund commissioners had no discretion but to issue the bonds when the certificates were presented to them. The board of audit had sole power to make audit of all "claims then existing or created thereafter, arising out of contracts, whether oral or written, of the board of public works or District of Columbia," where there was no written evidences of indebtedness as well as where there were written evidences of indebtedness. Their jurisdiction extended over the past, their power was limited to the then indebtedness of the District. Their duties were temporary, and they had no other power than to allow and certify the then existing indebtedness of all kinds of the District and of the board of public works as classified in the sixth section. Unquestionably they had power to audit claims arising out of the work already done and to be done on contracts of the public works not completed on the 20th of June, 1874. Their duties looked to the past exclusively, except as to the work necessary to complete these contracts, and their allowances were to be satisfied by the 3.65 bonds of the District, at the option of the claimant; while the duties of the commissioners looked to the future, and their obligations were to be discharged in cash derived from taxation and appropriations by Congress. The vain and artful attempt is made by the commissioners to cover up their delinquencies by throwing the responsibility of their illegal contracts upon the opinion of a distinguished Senator who was a member of the joint committee of both Houses that reported the act of June, 1874. But this effort is as weak and groundless as their acts have been unauthorized and antagonistic to the terms of this law and to the object of the creation of this temporary commission.

I do not doubt but that this law provides for the completion of the incomplete contracts of the board of public works, and the board of audit were authorized to issue these certificates for work done and to be done to complete them, according to the contract. The commissioners had nothing to do with this matter except to see, by their engineer, that the work was done according to the stipulations of the contract. This whole matter belonged to the board of audit, and the commissioners cannot protect themselves for their usurpations and violations of law by throwing the responsibility of their misconduct either upon this distinguished jurist and Senator, or upon the engineer of the District, or upon the board of audit. If they had examined the report of the joint select committee of the last Congress, which from the answers to the interrogatories of the committee they seem to have done very lately, they would have found that the joint committee which reported the act of June 20, 1874, estimated that it would only require the sum of \$1,325,000 to complete these unfinished contracts. And if they had not yielded themselves to the malign and corrupting influence that has made the government of this District for the last few years a stench in the nostrils of honest men of all parties in this country, the fact that this sum was the amount estimated for this purpose should have caused them to hesitate before they authorized work to be done of this class exceeding \$7,000,000, over four millions and a half of which was contracted for and done in 1875 under their order and direction. So sensible were they that they had exceeded their powers and had become the cat's-paws of the corrupt ring that has disgraced the national capital and brought shame and disgrace to the very doors of the Presidential Mansion, that they enter an apology in their last annual report for their wrongdoing. And they say, after referring to the report of Engineer Hoxie, "that the work and consequent expenditure, chiefly in fifty-year bonds exceed the expectation of the commissioners, as indicated in their last report; but the causes thereof growing out of obligations for the execution of existing legal contracts, the protection or preservation of improvements existing or commenced and not completed at the date of said act, and the enforcement of obligations of contractors for keeping avenues and street which they improved in good repair, fully explain the reasons for such work and expenditure."

Never, Mr. Speaker, in my knowledge, have I known guardians of a great public trust resort to such flimsy subterfuges, or attempt to



cover up their flagrant abuses of power by such miserable and impudent pretenses.

I have said that, assuming that these legal obligations and contracts referred to in the second section of the act of June 20, 1874, included the obligations and contracts of the board of public works, (which I do not believe is a correct and fair interpretation of this statute,) that there was no express or implied power, that they could be discharged or satisfied in the fifty-year bonds, or that the commissioners had any power to contract for their execution in such securities. And the same is true of the authority given to them, to protect and preserve improvements finished or unfinished. All their contracts and obligations, of whatever nature, had to be met with cash derived from the revenues of the District or from appropriations by Congress. The law upon its face shows conclusively that Congress intended that the commissioners should run this District on a cash basis; the cash to be derived from the revenues of the District and appropriations by Congress, and not by shaving the fifty-year bonds at a discount, as I will show these commissioners have done in some cases. But if there should be any lingering of doubt on this question, as to the true construction of this act, it will at once be dispelled in the light of the facts surrounding its passage. The report of the joint committee that reported this act to the Senate and House leaves no room for controversy on this point. It stated that the District treasury was practically exhausted in all its departments; that the government was hopelessly bankrupt, and that this bankruptcy had been brought about in great measure by the disregard of law by the late Shepherd government, and its reckless manner of accumulating debt upon debt, and as a remedy for the then condition of things they abolished the old government, governor, Assembly, board of public works, and all, and recommended the appointment of a commission to manage the affairs of the District temporarily "under limited and restrained powers," and boards to audit and find the indebtedness of the District at the passage of the act, including that necessary to finish the incomplete contracts.

Mr. Wilson, of Indiana, then chairman of this committee on the part of the House at the time this bill was acted on by the House, after stating the utterly bankrupt condition of the District government under the reckless and debt-contracting management of the Washington ring, headed by Shepherd, and the remedies proposed by the committee, said:

There are limitations, it will be seen, placed on these commissioners, such as will, in the opinion of the committee, protect the people from any further incurring of debts.—(*Congressional Record*, volume 7, page 5720, 1873 and 1874.)

And when he came to speak of the character of the security in which the floating debt of the board of public works and of the District of Columbia was to be funded under this act, he said they had fixed upon the 3.65 bond because the testimony showed that the prices had been increased, in some of these contracts 15 per cent. on account of the depreciated character of the certificates in which the contractors had been paid, and this 3.65 bond, payable in fifty years and free from all taxation, would make this matter "about right." The 3.65 bond was to be used to fund past indebtedness, to close up the demands then pressing upon the District, not to be resorted to by anybody as a means to satisfy and discharge contracts *in futuro*, and that had no existence until a year or more after the passage of the act. Congress supposed it was throwing limitations and restrictions upon the power of the District authorities to add a dollar more to the mountain of debt then oppressing the people of the District. By the same act it levied an unusual rate of taxation upon its property, and made large and liberal appropriations of money in order to extricate the District government from its pecuniary embarrassments; and yet by the false and nonsensical construction the commissioners pretend to have put upon their powers, they have been acting, so far as the streets, avenues, &c., are concerned, as if their powers were absolute and unrestricted, and the funded debt of this District is to-day \$6,000,000 more than any one supposed it could be under the provisions of the act of June 20, 1874.

Was the joint committee of last Congress deceiving itself and deceiving Congress when it told us there could be no more incurring of debts. Was this committee, composed of some of the best lawyers of both Houses so incapable of expressing their intention in proper language as that an act designed to put a stop to the growth of the debt of this District can be construed into authority to increase it, to an amount that makes it utterly impossible for the District to pay it. I undertake to say, Mr. Speaker, that neither the joint committee nor Congress are amenable to any such imputation. The act of June 20, 1874, is plain enough and not at all difficult of comprehension or contradictory in its terms. It means that no more debts should be piled up here; it means that these commissioners should run the District on a cash basis; it gives them no power whatever to use the 3.65 bonds in payment for sewer-pipe or curb-stone bought by them, or to pay for any work or labor of their contracting in these bonds, either at their market or face value. It gives them no authority to make new contracts, whether called "extensions," modifications, or enlargements and pay for the work of such extensions in the 3.65 bonds of the District, alone authorized to be issued to pay debts due at the passage of this act or arising out of work to be done on contracts *in force at that date*. All the attempts made by the commissioners to shelter themselves behind the language used in the second section authorizing them to execute existing legal obligations and contracts, as giving them power to contract for the issue of the bonds of the

District, is not only an afterthought but the merest pretense and baldest deception that ever was conceived by self-convicted culprits. And if they had not been breathing an atmosphere of speculation and plunder and had not been surrounded by bold, bad men, schooled in all the arts of public robbery and governmental thieving, backed up and supported by the friendship, power, and patronage of the President, I must do these commissioners the justice to believe they would never have departed so far from the path which the law required them to follow.

Mr. Speaker, I purpose to show by indisputable evidence, evidence derived from the reports and sworn answers of the commissioners, that they have contracted to pay in 3.65 bonds for work and labor performed on contracts which had no existence until they made them, and on others which had no legal validity whatever either upon the board of public works or upon the contractor; and will thus show the utter falsity of their miserable apology for the large expenditure during the year 1875. I shall only have time to call the attention of the House to a few of the more striking cases of gross and palpable violation of the words and spirit of the act of 1874. And I might point to the strange and inexplicable fact that while the commissioners are seeking to account for the heavy and unexpected expenditure in bonds of last year on the ground that they were required to execute existing legal contracts of the board of public works, that they are defending against some of these self-same "legal obligations and contracts" in the District courts, and so far successfully, on the plea that they were of no obligation upon the board of public works by reason of non-compliance with the law which required that no contract should be made by the board of public works without an antecedent appropriation. I will ask the Clerk to read from the report of the attorney for the District, December, 1875:

The Clerk read as follows:

Several suits have been brought against the District based upon contracts of the late board of public works by parties who were not successful or were dissatisfied in the prosecution of claims before the board of audit. It is believed that upon legal grounds the defense is complete in these cases. In one of them a demurrer to the declaration upon the ground that it did not aver that the work was done in pursuance of an antecedent appropriation by law was sustained. This decision is, it is believed, fatal in its effects upon other cases; for, though the defect may be corrected in pleading by averring such appropriation, it is believed that in none of the pending cases can it be shown that such appropriation had been really enacted.

Mr. BUCKNER. So that these contracts were sufficiently valid to justify large expenditures in bonds by the commissioners, but wholly invalid when the District is required to respond in damages for a violation of this legal obligation. But many of these contracts, on which about \$3,000,000 was expended last year, had no existence whatever on the 20th of June, 1874, but were entered into subsequently to that date, and the larger portion of them during the year 1875. They are called "extensions" in the report of the engineer, and whether that is the proper designation or not there can be no doubt what an "extension" is. To all intents and purposes, it is a new contract, out and out, in the great majority of cases.

Let me give some specific contracts by number and trace their history, as I find it in the reports of 1874 and 1875, and the answers of the commissioners accompanying the report of the committee. I find contract No. 582 was given to James W. Walsh, October 23, 1872, to grade Eleventh street east, between Pennsylvania avenue and H street north. It was estimated that the grading of this street would cost \$15,000, and very little work had been done and there was some question as to its having been abandoned, and at one time it was determined not to complete the work for this and other reasons. A. R. Shepherd is the principal witness to prove there was no abandonment, and the original contractor having assigned his contract to Hussey, another witness, the matter is submitted to the attorney of the District for his opinion, and he tells the commissioners "that there is no privity of contract between the assignee and the commissioners, and it is within the discretion of the commissioners to recognize or not to recognize the assignment." In other words, there is no existing obligation upon the part of the District that Hussey should do this work. Hussey, however, gets an "extension" to finish the grading under this contract, but at 33½ per cent. more than another party had agreed to do it for, and to whom Mr. Blow, then of the commission, promised the contract. This contract, No. 582, was afterward extended by five different contracts or extensions during the last year, embracing almost every variety of street work, as well on the part of Eleventh street east, where the grading was done, as on other parts of that and adjoining streets, and on streets full a mile distant in the northwestern part of Washington. No one of these "extensions" had any reference to the original contract, except the first, which was to finish the grading. The remaining four extensions were in every sense new contracts entered into by the commissioners, and signed by them and Hussey, for doing other and different work and in different localities from the original contract, and instead of costing \$15,000, as originally estimated, this favored contractor was paid on this contract 582 and its extensions the sum of \$104,440.95 in 3.65 bonds. Here, then, is a contract having no valid obligation on the commissioners, and which they were under no legal obligation to recognize in the first place, but which they did recognize, and entered into four additional contracts for new work, which had no existence until the commissioners made the contracts and agreed to pay for the work in 3.65 bonds. Such is the character of the legal obligations and contracts existing June 20, 1874, which these guardians of this plundered District were forced by law to execute!

I call attention to another contract in which a character now becoming notorious as one of the noble army of plunderers of the Freedman's Bank figures as the original contractor. I allude to John O. Evans, contract No. 916, to lay Scharf pavement on B street north, between First and Second streets east. The commissioners' report of 1874 shows that this contract was completed under the board of public works at a cost of \$10,163.34. In the report of 1875 this completed and lifeless contract it seems was assigned on May 20, 1875, to the executor of W. C. Murdock. Murdock is still living, and what is meant by giving him an executor while living I am not prepared to say, unless it is intended to notify the world that Evans is his executor and is the real responsible party and beneficiary, which, I doubt not, is very near the truth. On the same day of the assignment we have an extension of this completed and lifeless contract to lay this Scharf pavement, of which Evans, the companion and friend of his late excellency Governor Shepherd, and of the much-indicted General Babcock, claims to own the patent, on streets too numerous to mention, and scattered over the north half of Washington. These extensions, or, in the language of the commissioners, "existing legal obligations," include parts of fourteen or fifteen streets, miles distant from B street east, and have no more connection with the original contract than they have with Wall street, New York, and among these extensions is the taking up of cobble-stone pavement in an alley in square 248 and replacing it with concrete pavement. This business of extension for the benefit of this distinguished member of the Washington ring has cost the District the nice little sum of \$113,659.56. If I were to state who are the owners of square 248, for whose benefit a concrete pavement was substituted for a cobble-stone pavement at a cost to the District of between six and seven thousand dollars, I might be suspected of impeaching the motives of these commissioners in thus expending this money without pretense of law or authority. I am not now inquiring into their motives.

I have brought this contract 916 to the attention of the House as irrefutable evidence that these extensions are but another name for new contracts that had no existence when they assumed the executive authority of the District, and which they signed and sealed nearly a year after the passage of the act abolishing the late government, and after the original contract had been completed and had no assignable quality whatever. It is difficult to conceive of a more glaring instance of deception and concealment of the real facts than has been shown by the commissioners in their effort to shield themselves from censure by claiming that the work done under these extensions was in the execution of legal obligations existing June 20, 1874.

Mr. Speaker, I know these details are dry and uninteresting to this House, but I must beg its indulgence in presenting other facts not less conclusive as to what are termed "existing legal contracts" by the commissioners when, unfortunately, they were placed in charge of the government of this District. I call attention to the history of contracts No. 561, John J. Shipman, contractor; No. 860, Birch and Fletcher, contractors, and No. 1050, Thomas Kerby, contractor, to be found on pages 448 to 453 of the testimony taken before the committee. All of these original contracts of the board of public works were for work in various parts of the District, and their "extensions" made by the commissioners were given to these several contractors on the testimony of Shepherd and other members of the board of public works; which, if it proved anything as to a contract, showed that there was no pretense of a contract between these favorites of the deposed governor and the board of public works. They are called "oral contracts," not even proved by the sworn statement of a witness, and the facts as stated by Shepherd absolutely disproving the existence of anything like a contract binding either upon the contractor or the board of public works. Here is the unsworn statement of Shepherd and two other members of the board of public works as to one of these "oral contracts":

It was the understanding and agreement between the late board of public works and the contractor for Boundary street that it should be improved from North Capitol street to Massachusetts avenue northwest; the contract should be completed.

It was completed by the commissioners according to the order of the late governor. These oral contracts, on such evidence as I have given above, were recognized as "existing legal obligations" of the board of public works; and these extensions added to the debt of the District as follows: Extension of 561, \$118,583.01; extension of 860, \$52,982.92; extension of 1050, \$58,939.03; total, \$230,504.96. And it is worthy of remark that the work done under one of these oral contracts, construction of a road up the Potomac, west of Georgetown, has cost the District the sum of \$70,000 per mile! It will thus be seen that a mere understanding or conversation, not reduced to writing, with no terms stated or prices fixed or estimates made, with no bond or obligation of the contractor to do the work, and not a line on the subject on the records of the board of public works or among its papers, is recognized as a legal obligation existing on the 20th of June, 1874, which is enforced against the District by its faithless agents, by the execution of a contract signed and sealed by them, that the work shall be done according to such stipulations as they might impose, the contractor to be paid in 3.65 bonds at par. With such a construction of the law, under which the commissioners acted, it is a matter of wonder, as well as congratulation, that a much greater number of "oral contracts" were not brought to life and recognized as valid and binding contracts on the District. We may

account for the anxiety of the boss of the Washington ring to have these oral contracts recognized when it is known that he has been engaged since his deposition from power in the business of supplying the contractors of the commissioners with houses and lots, and that the records of deeds show that among other purchasers, who were contractors, his sales to these three contractors have amounted to about \$90,000 within the years 1874 and 1875, but by what principle of law or common sense the commissioners have come to treat these "oral contracts" as binding upon anybody passes all comprehension. The truth is that they have acted in this matter of "extension" as if they had unlimited power, with no restrictions or checks upon their sweet wills. The engineer in his report of last December in fact admits this. After referring to the powers conferred upon the commissioners, he says:

Accordingly, the work considered necessary has been covered by modification and sometimes by extension of certain contracts of the late board of public works.

This is what was done in 1875. They have performed work, graded streets, paved sidewalks, concreted carriage-ways wherever such work was considered necessary, and the attempted justification of the commissioners that they were enforcing legal obligations and contracts is a miserable pretense and a disreputable deception. The board of audit had power to audit and certify certain claims growing out of oral contracts made by the board of public works; but the commissioners were confined to enforcing existing legal obligations and contracts; and, until they can show that these contracts sought to be established by Shepherd were legal and valid obligations, this authority specially given to the board of audit cannot avail them. There was very good reason why executed oral contracts should be satisfied which did not and ought not to apply to these pretended oral contracts on which not a day's labor had been spent or a cubic yard of earth excavated or removed, and hence the difference in the powers given to the board of audit and the commissioners.

But, Mr. Speaker, I must condense what I have to say further on this pretended execution of the legal obligations and contracts of the board of public works existing on the 20th June, 1874. It would have been far more truthful and honorable in these officers if they had said that they had conceived that it was their mission to carry out the grand and comprehensive plan of public improvements inaugurated by the territorial government, and this unexpected and unlooked-for expenditure of work and bonds was necessary to this end. We should have understood that and we should have known how to deal with this hallucination. But, bad as such a confession would have been, it would have been far more creditable both to the head and the heart of these gentlemen than the attempt to shield themselves by the false and deceptive statement that this great addition to the District debt was incurred in executing the legal obligations of the District in force when they entered upon their duties. Never was there such a bold and impudent imposture sought to be palmed off upon unsuspecting credulity. In additional proof of this statement, I charge that under one of the extensions of contract 760, Thomas Joyce, contractor, De Sales street was graded, curbs set, and brick pavements laid, and the same street was concreted by Murdock, *alias* John O. Evans, at a cost of \$15,282.83, and the records of the board of public works do not show that ever a dollar was expended or contracted to be expended on this street.

Again, contract No. 384, D. R. Smith contractor, was extended, so as to tear up a well-graveled street and brick sidewalks on I street, between North Capitol and New Jersey avenue, and to concrete the same, after this contractor had assigned his contract to John O. Evans' man Murdock, at a cost of \$41,556.65 to the people of the District. Both of these illegal and unwarranted extensions (under contracts 384 and 760) were undisguised jobs, principally for the benefit of the property of Shepherd and his friends, fronting and contiguous to these streets. But this is not all the profit derived by him from the subservience of the commissioners. It so happens that each of these contractors had a fancy to a house and lot owned by the notorious boss of Washington, and the record of deeds develops the fact that one pays \$7,500 and the other \$6,500 for the lot of his fancy. And to crown all the wrong-doing of these imported guardians of the District, I have in my hand a list of contract extensions, which I will publish as a part of my remarks, from which it will be seen that during the year 1875 nearly twenty miles of streets in this District were torn up and grading commenced during last year, so that owing to their unauthorized "extensions" the streets in many parts of the District are to-day in as bad and incomplete condition as they were during the spring of 1874, when the Shepherd government was displaced.

Street improvements, primarily undertaken under "commissioners' extensions," since report of December, 1874.

No. of original contract	Name of contractor.	Street.	Between—
243	Daniel A. Connolly.	C st. N. E. ....	4th and Boundary sts.
	Do. ....	A st. N. E. ....	3d and Boundary sts.
	Do. ....	Delaware avenue ..	C and Boundary sts.
	Do. ....	E st. N. E. ....	1st st. and New Jersey ave.



Street improvements, primarily undertaken under "commissioners' extensions," since report of December, 1874—Continued.

No. of original contract.	Name of contractor.	Street.	Between—
	Daniel A. Connolly	1st st. N. E.	C and Boundary sts.
	Do	D st. N. E.	1st and 4th sts.
364	Do	6th st. N. E.	Mass. ave. and E. Capitol st.
234	E. E. Barnes	M st. S. E.	3d st. and James Creek Canal.
316	Steepe & Follansbee	Alley	In square 70.
357	John G. Stafford	N st. S. E.	1st and 2d sts.
388	W. Z. E. Vermillion	South Carolina ave.	New Jersey ave. and 6th st. S. E.
403	Dillard & Moulton	R st. N. W.	7th st. and New Jersey ave.
413	Hugh Murray	23d st. N. W.	E st. and canal.
	Do	3d st. S. E.	Virginia ave. and Eastern Tr'h.
	Do	N st. S. E.	2d and 4th sts.
	Do	C st. S. E.	South Capitol and 3d sts.
	Do	D st. S. E.	S. Capitol and New Jersey ave.
415	Patrick McNamara	9th st. N. E.	Maryland ave. and C st.
	Do	10th st. N. E.	3d and 9th sts.
556	Del. Hadnell	5th st. S. E.	O and Q sts.
582	William Hussey	Tennessee ave.	Lincoln Sq. and 15th st. N. E.
	Do	15th st. N. E.	H and East Capitol sts.
	Do	5th st. N. E.	H and K sts.
	Do	6th st. N. E.	H and K sts.
	Do	F st. N. E.	New Jersey ave. and 7th st.
	Do	Boundary st.	11th and 15th sts. N. E.
723	David Roche	4th st. N. W.	N and O sts.
754	Thomas Kirby	23d st. N. W.	M and N sts.
757	M. J. Laughlin	1st st. N. W.	M and Boundary sts.
760	Thomas Joyce	25th st. N. W.	E st. and Canal.
765	George Neitzey	De Sales st.	17th st. and Connecticut ave. N. W.
	Do	Water st., Georgetown.	High st. and Aqueduct.
766	C. H. Moulton	T st. N. W.	14th st. and Vermont ave.
770	John S. Baldwin	Extension of 8th st.	(Grant ave. & Col. Orph. Home.)
795	John S. Baldwin	A st. N. W.	(Grant ave. and Boundary st.)
	Do	E st. S. E.	12th st. and New Jersey ave.
	Do	Virginia ave.	2d st. and North Carolina ave.
	Do	1st st. S. E.	New Jersey ave. and 6th st. S. E.
819	Andrew Gleason	4th st. N. E.	North Carolina ave. and F st.
	Do	5th st. N. W.	E and Boundary sts.
	Do	M st. N. E.	Q and Boundary sts.
896	Stephen Tally	K st. N. E.	North Capitol and 1st sts.
815	O. O'Hare	Beall st.	3d and 7th sts.
836	John Lyons	6th st. S. E.	High and Monroe sts.
853	A. L. Newman & Co.	Canal st. S. W.	E. Capitol st. & N. Carolina ave.
890	W. Fletcher	20th st. N. W.	H and I sts.
	Do	27th st. N. W.	G st. and River.
900	Do	24th st. N. W.	G and L sts.
1050	Thomas Kirby	Boundary st. N. W.	N st. and Rock Creek.
	Do	Grant ave.	(6th and 9th sts.)
1056	Sylv. Gleason	8 st. N. W.	16th st. and Massachusetts ave.
1074	Albert Gleason	Q st. N. W.	7th and 9th sts.
	Do	12th st. N. W.	11th st. and New Jersey ave.
	Do	Vermont ave.	12th and 14th sts.
	Do	13th st.	P and Q sts.
1004	Do	Corcoran st.	P and Q sts.
	Do	R st.	14th and 16th sts.
	Do	Samson st.	14th and 16th sts.
	Do	17th st.	Massachusetts ave. and P. st.
	Do	Q st.	Massachusetts ave. and 16th st.

These streets represent in the aggregate a length of nearly twenty miles, which length is obtained by the data furnished by the commissioners and taking the dimensions from the map of the city.

What escape is there for these officers? Will they pretend, now that I have shown that these "extensions" were not, as asserted by them, legal obligations of the board of public works, that the contracting contracts given to Murdock, the oral contracts given to Shipman and others, and the twenty miles of grading new streets were necessary to protect and preserve the improvements already made? This would be a subterfuge in keeping with the statement that they were valid obligations of the board of public works. But it is their only hope of escape, vain and groundless though it be; and I will not insult the intelligence of this House by attempting to prove that the grading of miles of new streets was necessary to preserve or protect improvements contiguous thereto or in other parts of the District.

If, Mr. Speaker, I have not satisfied this House that the apology of the commissioners for the heavy expenditure of last year and the consequent increase of the debt of the District is false and unreal, and the statement that this expenditure has grown out of the exercise of the power vested in them to execute legal obligations and contracts of the board of public works existing on the 20th of June, 1874, is utterly groundless and untrue in fact, it is not because of the absence of evidence at my command, but because I have not made a proper presentation of that which I have. I reiterate, and I would emphasize the statement, that of the work done by the commissioners in 1875 under what is called "extensions" there is not one which was a legal contract or obligation, binding upon the board of public works at the passage of the act of June 20, 1874. They are, without exception, so far as my examination has gone, new contracts made by the commissioners for new work, at no time contracted to be done

by the board of public works; and it is an impudent attempt at deception when the commissioners assert that these extensions were legal and outstanding obligations and contracts which they were bound to execute and enforce. Even if it be assumed that they had the power to contract for the issue of the 3.65 bonds in the execution of existing obligations and contracts, which is utterly untenable, these extensions had no existence as contracts until they made them, and to all intents and purposes were new contracts and for new work which the board of public works had never authorized or contracted for.

It is my purpose now to show that the commissioners are absolutely without excuse for the increase of the 3.65 bonded debt of the District beyond about the sum of \$10,000,000; and that this increase has been brought about by submitting themselves to the dominion and control of the men who made the late District government a hissing and a scorn to the whole country, and by yielding to the pressure of a people dependent, in great measure, for their prosperity on large expenditures by the Government and heavy disbursements from the Treasury. The commission authorized by the act of June 20, 1874, entered upon their duties about the 1st of July, 1874, and made their report to the President at the second session of the last Congress.

Among the first acts of the commissioners was the adoption of a resolution that all contracts in future should be let out to the lowest and best bidder, and that contractors should no longer be furnished by the District with such materials as were needed in the work of public improvement. Under the authority conferred by the second section of this act they had reduced the number of officials connected with the District government, and thus cut off a large source of expenditure under the late territorial government. In the report made to the President, in December, 1874, so far as I have been able to discover after a careful examination of it, these expenditures were confined strictly to the completion of the incomplete contracts of the board of public works, though some of these contracts are not included in the list of such contracts reported by the joint committee on the evidence of the late president of the board of public works. At the date of this report it was estimated by them that the completion of contracts then in operation would require \$1,721,270.11 to finish them. There were also \$184,408.84 estimated for contracts of doubtful obligation, which, if completed, would be payable in 3.65 bonds, and also work amounting to \$548,383.25 had been done on contracts payable in 3.65 bonds, from July 8, 1874, to date of last measurement. The report of the board of audit, made at the same time, goes much more in detail, and states the amount certified and allowed in each class of indebtedness, with the amount of outstanding and unadjusted claims in each of the eight classes provided for by the sixth section of the act of June, 1874. I herewith give the tables taken from their report.

Statement of certificates issued and unadjusted claims.

Class No.		Actual issue and estimate, December 1, 1874.	
		Certificates issued and unadjusted claims.	Total.
1	Sewer certificates	\$898,942 29	
	Sewer certificates outstanding and unadjusted	204,000 00	
			\$1,103,542 29
2	Auditor's certificates, board of public works	4,170,030 63	
	Auditor's certificates, board of public works, outstanding and unadjusted.	314,113 89	
			4,484,144 52
3	Auditor's and comptroller's certificates of District of Columbia		1,897 06
4	Contract work, certified	1,088,757 84	
	Contract work, unadjusted and outstanding	1,458,358 99	
			2,547,116 83
5	General claims against the District, certified	82,547 43	
	General claims against the District, outstanding and unadjusted	297,797 00	
			380,344 52
6	Old material, property, not issued	Estimate	463,094 85
7	Damages to real property, certified	84,689 57	
	Damages to real property, outstanding and unadjusted	383,996 50	
			468,686 07
8	Sewer taxes refunded, certified	531,882 36	
	Sewer taxes, outstanding and unadjusted	25,896 16	
			557,688 52
	Total		10,006,514 66

They say:

The unadjusted claims, classes 1, 2, 7, and 8, may be regarded as fixed claims against the District and subject to but slight variation. Classes 4 (contract work) and 5 (claims against the District) will probably be diminished when audited, but by a continuance of works under contracts No. 4 will be ultimately increased.

In a preceding part of their report, after excusing themselves for not being able to comply fully with the requirements of the act of Congress, they say:

The result presents a very nearly accurate and reliable statement of the indebtedness of the District.

And this result was made up as we have seen of—

Certificates issued	\$6,858,727 18
Claims outstanding and unadjusted	3,147,787 48
Total	10,006,514 66

and is "a very nearly accurate and reliable statement of the 3.65 indebtedness." So nearly did they consider this \$10,000,000 as the amount of the 3.65 bonded debt that they make the following aggregate of the ascertained debt of the District, namely:

Funded debt.....	\$2,883,940 43
Eight-per-cent. certificates.....	1,522,400 00
Certificates of the Board of Audit.....	6,856,737 18

Adding the unadjusted claims.....	17,265,067 61
Makes a total of.....	3,147,787 48
	20,412,855 09

Executive Document No. 1, part 6, Forty-third Congress, second session, pages 292, 293.

It must be borne in mind that this was in December, 1874, five months after they had been examining into the affairs of the District and two months after all claims could be presented for audit. That both the commissioners and board of audit believed that this sum of ten millions would about cover all the 3.65 debt seems beyond dispute. Nor was it supposed probable, from anything said or stated by either board in the reports of 1874, that class 4 (work on contracts) would be increased. They no doubt believed that \$3,147,855 would cover all the unadjusted and outstanding claims. Congress at that session extended the time for presenting the claims in two of the classes, (not class 4), which increased the debt of these classes somewhat. But, excluding class 4, the whole amount ultimately certified in all the seven other classes was less by \$114,000 than the board of audit estimated for these classes in December, 1874.

In making these reports these officers either intended to inform the President accurately as to the probable amount of the District debt or they made their reports to deceive him and the country. I do not doubt that at that time they believed that the estimate I have given as having been made by the board of audit, and confirmed as far as the commissioners went by their report, would cover the 3.65 bonded debt of the District, and at that time it never entered into the heads of any of these officers that during the ensuing year they would add to this debt in contract work alone the enormous sum of between three and five millions of dollars. As late as February, 1875, they asked for an appropriation of money to pay the interest on this debt for the fiscal year from June, 1875, to June 30, 1876, and in this estimate they put the principal at \$10,000,000. And nowhere and at no time during the second session of the last Congress is there a whisper or intimation from either the commissioners or the board of audit that there was so large an amount of obligations or contracts of the board of public works then outstanding and unexecuted which required enforcement at the hands of these watchful guardians of the interests of the District.

I am now on the subject of the contract work—not the repair work—and I affirm that, if they knew of the existence of the obligations and contracts which they now set up as being in existence and binding on them as the successors of the board of public works, it was their duty to have so advised the President and Congress. Is it possible that, if they knew of such contracts and obligations, binding alike on the tender consciences of these commissioners and the defunct board of public works, they could have remained silent and not made known their number and character and the sum required to execute and enforce these contracts and obligations? Why should they not have made report of these unexecuted obligations? Why should they not inform the President that instead of \$1,721,000 being estimated to complete the contracts in hand, that there were other obligations to be executed and other contracts to be enforced which would require three or four million dollars additional in 3.65 bonds?

The naked truth, Mr. Speaker, is they never dreamed during the last session of the Forty-third Congress of what the ring required them to do during the summer of 1875. There were no such contracts or obligations existing June 20, 1874. It is a wicked deception, an unmitigated imposture, to call these extensions of last year obligations of the board of public works. After being made the tools and instruments of Shepherd and his corrupt crew, they have the audacity to attempt to justify themselves for grading near twenty miles of new streets and concreting Commissioner Ketchum's alley, and dozens of streets in the neighborhood of the property of the real-estate pool, by the deception that these extensions were but the enforcement of contracts and obligations existing June 20, 1874. We have seen how the commissioners attempted to carry out the recommendations of the joint committee of 1873; how they abandoned the vicious system of giving out contracts to friends and favorites without competition; how they advertised all contracts to be let out to the lowest bidder; how they refused to furnish sewer-pipe, curb-stone, &c., to the contractors of sewers and streets, as their predecessors had done; and how they, after five months' investigation of the affairs of the District, reported what they had done and how much it was estimated the debt of this bankrupt District would be.

But very soon after the adjournment of Congress in March, after making a liberal appropriation of over a million of dollars to the use of the District, a marked change takes place. All the cash contracts which had been given out in 1874 were canceled, extensions of old contracts multiplied rapidly, the old favored contractors under the Shepherd government come to the front again; sewer-pipe which had been contracted to be paid for in cash is now paid for in 3.65 bonds; and these securities, which by the law were intended to fund the indebt-

edness of the District, become the means of discharging newly created obligations entered into for the first time by the commissioners themselves. It is questionable whether in any year since the District had its infamous governor and Legislature and board of public works in full blast there was so much activity, so many streets graded and improved, so many employes about the engineer's office, so many certificates issued, and so much money expended. Shepherd was nominally displaced only for the term of six months. During the whole of last summer and fall he was as fully in the control of the improvements of this District as if he were one of the commission, without any of the responsibility attaching to the office. By his mere *ipse dixit* he converts verbal contracts binding upon no one into obligations of the commissioners under which they pay hundreds of thousands of dollars in the bonds of the District for the execution of these verbal contracts. The men to whom he makes sales of real estate in Washington, amounting to \$250,000 within the last two years, by some strange and singular coincidence, are the fortunate contractors who obtain extension upon extension, and the commissioners during the whole of the season of 1875, losing sight of the limitations of the act which gave them their authority, seem to have had no other thought than to carry out the "comprehensive plan" of the board of public works and pile up a debt upon a bankrupt people so utterly out of all proportion to their ability to pay that they have lost all sense of their obligation to pay it.

But, Mr. Speaker, the most inexcusable and the most reprehensible of the unlawful expenditures of the commissioners during the last year is to be found in the repair work authorized by them, at an expense of \$509,000 in the 3.65 bonds of the District. It is tainted with the vice of want of power, of extravagant cost, wasteful favoritism, and every other characteristic of a shameless job. There is not one redeeming feature about it, and it is impossible to resist the conclusion that it is anything but a scheme of plunder and theft of the people of this District, unsurpassed in its enormity by anything that has ever transpired here since Shepherd and Babcock have had undisputed sway in its government. I am far from charging that either of the commissioners have pocketed a farthing of the cost of this repair work. In the absence of any positive and direct proof that they were interested in these contracts, I give them the benefit of the presumption of innocence of any corrupt practice or improper conduct in respect of this illegal and inexcusable outlay. But all the facts touching this wrongful expenditure show conclusively that they should be held accountable on their bonds for their gross misfeasance and culpable mismanagement of the credit and resources of the District growing out of the contracts for this repair work and the execution of those contracts; otherwise nothing short of criminal misconduct on their part can render them amenable on the bonds required to be executed by the commissioners.

It seems to me an insult to the most ordinary intelligence to assert that because the contractors under the board of public works had failed to comply with the stipulations of their several contracts to keep in repair the streets which they had paved, for a term of years, and because they had been notified in the fall of 1874 to make these repairs and failed to do so, that therefore this state of facts constituted a debt against the District at the passage of the act of June 20, 1874, which could be allowed and certified and converted into 3.65 bonds. For this is the naked proposition in all its absurdity. I grant that they had the power to protect and preserve; in other words, to repair improvements finished and unfinished, and to pay for the same in cash. But here is a proposition to put into the funded debt of the District a claim of the District against the contractors for a failure to comply with the covenants of the original contract with the board of public works, and which was capable of being put into a judgment by the verdict of a jury. So far from these contractors or their assignees having any claim or debt against the District, the debt was due to the District and not by the District to the contractors.

To make the matter still worse, if by any construction or distortion of the statute it could be made to include this repair work, the fact still remains that the work was done more than nine months after it was possible, under the law, to present this pretended claim for audit and certificate. It was only by first making an unauthorized contract with some of the henchmen of Shepherd to do this repair-work, to be paid for partly in cash and partly in 3.65 bonds, that the shrewd and unprincipled tricksters of the Washington ring manipulated this last grand raid upon the tax-payers of the District and increased its funded debt more than three-quarters of a million of dollars. That the commissioners made these repair-extensions in violation of law, and that they knew, in thus adding to the debt of the District, they were committing a fraud upon the act of June, 1874, and upon a confiding Congress, there can be no reasonable doubt. All this repair-work done in 1874 had been paid for in cash.

Speaking of these repairs, the engineer in his report, and made a part of the report of the commissioners, says:

The precaution that work shall be guaranteed for a term of years has been taken by the board of public works, and under this provision notifications have been sent out by me to various contractors that repairs were needed. The majority of these notices have received no attention, and it has been necessary to do the work and charge it to the contractor. Provision must be made for doing a large proportion of this work, and suits must be brought to recover the amount expended from the delinquent contractors and their sureties.

He says these repairs had been done and the cost charged to the contractors, and his accounts show that the District had paid the cost of these repairs in cash out of its own funds.



There is no pretense that up to December, 1874, any "extension" had been made by which the cost of these repairs had become a part of the funded debt; and in the same report he makes an estimate of the cost of repairs that would be required up to June 30, 1875, and asks a "cash" appropriation of \$57,941.77. So also in his estimate of the current expenses of the fiscal year ending June 30, 1876, he estimates the "cash" expenditure of \$109,217.53 necessary to be advanced by the District and to be charged to the contractors. But in order to leave no possible escape to these faithless guardians of the District, I will ask the Clerk to read from the CONGRESSIONAL RECORD, volume 10, page 1604, of the last Congress.

The Clerk read as follows:

OFFICE OF THE COMMISSIONERS OF THE DISTRICT OF COLUMBIA,  
Washington, D. C., February 18, 1875.

SIR: Agreeably with your request, we send you herewith a detailed statement of the items included in the general fund in our estimate of expenditures for the fiscal year ending June 30, 1876, with a copy of the statement of aggregate of the estimates for the same year. We will thank you to show the inclosed to General Chipman, as an answer in part to a letter received from him this morning.

Very respectfully,

W. DENNISON,  
J. H. KETCHAM,  
S. L. PHELPS,  
Commissioners District of Columbia.

Hon. A. R. COTTON,  
Chairman Subcommittee.

Detailed statement of the items comprised under heading of general in estimate for fiscal year ending June 30, 1876, based upon the reports of heads of Bureaus.

Washington Asylum supplies, &c.	\$32,417 50
Georgetown Asylum supplies, &c.	2,439 40
Reform School, support of inmates	14,000 00
Board of health District proportion	32,320 00
Fire department, salaries and contingencies	84,683 00

Salaries of officers and employes of the District of Columbia other than fire department, Metropolitan police, school-teachers, as follows:

Commissioners' office	\$30,760 00
Auditor's office	5,720 00
Attorney's office	5,040 00
Comptroller's office	11,180 00
Collector's office	12,630 00
Superintendent of assessment and taxes	15,050 00
Board of audit	51,465 00
Coroner's office	1,668 00
Deputy comptroller in charge of assessments	6,160 00
Commissions of sinking fund	3,700 00
Treasurer's office	3,900 00
Engineer's department, including surveyors, overseers, clerks, levelers, rodmen, laborers, &c.	115,800 96
Sealers of weights and measures	400 00
Harbor-master	100 00
Water department	7,123 00
Markets, Washington and Georgetown	8,424 00
Garbage collectors	15,552 00
Washington Asylum	3,870 00
Georgetown Almshouse	500 00
Payment of physicians and apothecaries	8,000 00
Total payment of salaries	298,040 26
General advertising	25,300 00
Sweeping streets, per estimate of engineer	60,000 00
Support of insane paupers	5,686 00
Repairs to wood pavement, per estimate of engineer of District of Columbia	63,295 93
Repairs of concrete pavement, per estimate of engineer of District of Columbia	45,918 00
Repairs to county roads and bridges, per estimate of engineer of District of Columbia	5,667 60
Repairs to pumps, per estimate of engineer of District of Columbia	9,975 60
Cleaning alleys, per estimate of engineer of District of Columbia	22,000 00
Cleaning sewer-traps, per estimate of engineer of District of Columbia	7,300 00
Removal of ashes, per estimate of engineer of District of Columbia	10,200 00
Expenses of parking commission, per estimate of engineer of District of Columbia	12,000 00
Gas-lamps and repairs, per estimate of engineer of District of Columbia	1,930 00
Extension of sewers, laterals and connections, per estimate of engineer of District of Columbia	53,334 00
Erecting five hundred new street-lamps, per estimate of engineer of District of Columbia	10,000 00
Purchase of machinery for repairs of concrete pavements, per estimate of engineer of District of Columbia	30,000 00

RENT OF PUBLIC BUILDINGS.

Schools	\$13,880 00
Station-houses	2,340 00
Morrison building	3,600 00

REPAIRS OF BUILDINGS.

School buildings	\$25,500 00
Markets	3,000 00
Station-houses	3,700 00
Engine-houses, Washington and Georgetown, asylum and Columbia buildings	4,200 00

Commissioners' office, contingent expenses	36,400 00
Auditor's office, contingent expenses	3,400 00
Comptroller's office, contingent expenses	300 00
Collector's office, contingent expenses	1,008 00
Water department, including repairs to water-mains, labor, and material for same, &c.	3,062 00
Surveyor's office	94,000 00
Board of audit contingent expenses	608 04
Attorney's office expenses	4,240 00
Judicial expenses	1,002 50
Superintendent assessment of taxes	846 40
Coroner's office	5,460 00
	500 00

Deputy comptroller in charge of special assessments	\$1,085 00
Treasurer's office	190 00
Relief and transportation of paupers	950 00
Fuel account, including gas for offices	4,500 00
Markets, cleaning, labor, carts, &c.	2,400 00
Insurance, public buildings	1,843 37
Commissioner's sinking fund	1,300 00
Engineer department proper	5,838 00

Total general District fund 1,074,893 00

FITZHUGH COYLE,  
Comptroller District of Columbia.

Mr. BUCKNER. It will be seen from this itemized statement made by the commissioners that they asked for \$109,217.53 "to pay for the cost of repairs to wood and concrete pavements for the year ending the 30th June instant," and Congress subsequently appropriated, not only this sum, but nearly the entire sum asked, namely, \$1,060,000, in order to enable the commissioners to maintain the government of the District for the present fiscal year and to do this repair-work, make sewer-connections, buy concrete-machinery, &c. It is thus made apparent that the commissioners then construed their powers as I do now, and that they understood that the protection and preservation of improvements were to be paid for in cash, and not in bonds. Instead of using this money for this purpose, they were induced to resort to the fraudulent and deceptive system of "extension," by which W. C. Murdoch, alias John O. Evans, and Cranford & Hoffman monopolized all this repair-work, except a small contract given to Jonathan Taylor for repairing Pennsylvania avenue east, at a cost of \$809,000. Notwithstanding there were other parties ready to do this work at much less cost—one in fact offering to do it at little or no cost to the District—it was given to these parties at private contract, without advertisement and without competition.

It will appear from an examination of table 4 of the answers of the commissioners accompanying the report of the committee that this work on the streets repaired in 1875 was done in 1872 and 1873 at a cost to the District of \$2,548,291.90, and within three years it has been repaired at a cost of \$809,860.00, and we have the authority of the engineer that it will require an outlay of 10 per cent. of this cost annually to keep it in repair. But this is not all of the reckless mismanagement of the commissioners as to these repairs. Not only is it true that several experts in this business of concreting have testified that work which the commissioners contracted to pay for in bonds at \$1.40 a superficial yard could be done at from fifty to eighty-five cents in cash, with a good profit to the contractor, but it appears that these pet contractors and favorites of the defunct board of public works were to receive in cash the cost of the necessary personal labor in removing the old wooden blocks and preparing the dilapidated concretes for the resurface, with 20 per cent. added for profit.

Inasmuch as Congress had made a cash appropriation for doing this repair-work, included in the appropriation of \$1,060,000, it is hard to assign any sufficient reason why this part of this contract was not paid out of the District treasury, especially as the treasurer reports as having on hand of this appropriation the sum of \$885,000 on the 1st of last December. This sum to be paid these favored contractors in cash amounted to \$69,802.55; but how was it paid? Not out of the cash in the Treasury, appropriated by Congress, but by selling the 3.65 bonds at a discount of 30 per cent., or at seventy cents on the dollar. -Yes, sir, these vigilant guardians of the interests of District, with an overflowing treasury, with money given to them by Congress for the express purpose of making these repairs, in order to raise money to discharge the cash part of an iniquitous and illegal contract, discount the 3.65 bonds of the District at the rate of seventy cents on the dollar!

But this is not the only operation of the kind in which they are shown to have been engaged. They advertised for sewer-pipe to be paid for in cash, and bids for the various kinds of pipe to be used by contractors were accepted, and among these bids twelve-inch pipe was to be furnished at thirty-two cents. These contracts were subsequently canceled, and the sewer-pipe contractors were paid in 3.65 bonds, and it appears from the evidence before us that 89,609 feet of twelve-inch pipe was paid for in bonds, costing \$50,303.04, whereas the cost of twelve-inch pipe at the price at which it was agreed to be furnished (thirty-two cents) would have been \$28,728.88, making a difference in favor of cash on this item of twelve-inch pipe of \$21,574.16, and in all the sewer-pipe purchased of \$36,036.90.

If there were no question as to the power of these commissioners thus to use the bonds of the District, if they had been vested with unlimited discretion to increase the debt of the District, they should be made accountable on their bonds for this improvident, wasteful, and shameful use of the 3.65 bonds. What would be the judgment of any court which should find a trustee of an estate thus wasting the assets intrusted to his charge? What defense can be made for a guardian of an estate who, with a large bank account belonging to his ward, should thus misuse the securities of his ward in the payment of the ordinary current expenses of his ward? And shall these commissioners be held to a less rigid accountability, when they have obligated themselves to a faithful discharge of their duties? In fact, their prosecution on their bonds is but a corollary to the action of the Senate and the House in the passage of the joint resolution of the 14th of March last. One of the series of resolutions put into it in the Senate made it a penal offense for any officer hereafter to increase the debt of the District, and no one understood better than these com-

missioners that it was intended as a rebuke to them for their illegal increase of this debt during the last year. It said in language too plain to be misinterpreted that "We cannot punish you for what you have done, but for the future be warned that if you are guilty of this offense again we will send you to the penitentiary." Is this House prepared to go back upon this action of both Houses of Congress?

It is said in justification or apology for this large outlay in the repairs of the streets last year that it was found that the sum appropriated for that purpose by Congress was wholly insufficient, and it became necessary that they should fall back upon the issue of bonds, which it seems was only limited by the discretion of the commissioners and the board of audit.

On the 18th of February a little upward of \$100,000 in cash was estimated to be sufficient to do this repair-work, but in three months thereafter it was discovered that the pavements and carriage-ways, both concrete and wood, were going to pieces so rapidly, and disintegrating and decomposing so fast, that the most active measures and the most liberal expenditures were absolutely essential to the preservation of the health of the people and the repair of these pavements. For the first time it was then discovered that they had the power to do this repair-work and pay for it in bonds, and not in cash. The condition of the pavements and not the act of Congress now became the chart of their powers. But what a telling commentary is here presented as to the value of these pavements and the work done on them, for which the District has paid the sum of over \$800,000! The larger portion of these pavements, both wood and concrete, were laid down in 1872 and 1873, and within three years, we are told, such was their ruinous, decayed, and dilapidated condition that it was absolutely necessary to expend one-third of their original cost in repairing these worthless pavements. And now, after the expenditure of \$800,000, under the influence of the first rays of a summer's sun, many of them are giving unmistakable indications of absolute worthlessness, and they are fast reaching the consistency of baker's dough or glazier's putty. Conceding that they had the power thus to add to the debt of the District, can there be any doubt that such a large outlay in renewing these worthless pavements was a reckless waste of the credit and resources of the District? Does any one believe that these streets were in any worse condition than many other streets which they did not repair? And is it possible that they could not have served the purpose of carriage-ways until the meeting of Congress? No, Mr. Speaker, all the circumstances attending this repair-work and its payment in bonds show that it was a shameless job put up in the interest of the contractors and their friends, without the semblance of law to support it, or any immediate necessity for its execution, and with the almost absolute certainty that within three years at furthest they will need another heavy expenditure to save them from total destruction.

The enormous debt of this District, now but little short of one-fourth of the entire assessed value of all its real property, not alone concerns the people of the District, but comes home to every taxpayer of the Union. The funded debt of the District bearing interest is composed of—

The old funded debt, (December, 1875).....	\$8,441, 113 43
The 3.65 debt .....	13, 743, 250 00
Total .....	22, 184, 363 43
On which the annual interest is.....	1, 129, 698 00
To this must be added the unfunded and floating debt in the shape of—	
Certificates of the board of audit not converted into bonds .....	\$758, 298 53
Measurements certified by engineer.....	297, 235 74
Estimates of work done and not certified by engineer.....	121, 535 15
Total .....	1, 177, 069 42

Which last sums would have been converted into 3.65 bonds but for the passage of the joint resolution of March 14, 1875.

In addition to this sum of ascertained indebtedness, amounting to \$23,301,372.85, should be included damages for injuries done to real estate by the unauthorized contracts of the commissioners in changing the grades of the streets and other claims for which provision must be made and to ascertain which a bill has already passed this House on the recommendation of the District Committee. What will be the sum of these claims I have no means of ascertaining, nor have I included in this estimate of indebtedness the sum of \$1,165,250, being the balance of 8 per cent. certificates commonly called greenbacks, which will be provided for out of the special improvement fund if this fund is collected and paid in. It will thus be seen that with the present funded debt, the unfunded but ascertained debt, and the probable amount of claims yet to be allowed, the District debt will not fall much if any short of \$24,000,000, to be borne by a population not so large as that of many of the congressional districts represented on this floor, and with no more taxable wealth.

It is a vain and idle hope that this District can provide for the payment of this debt. It will be an insupportable burden to defray the ordinary expenses of a municipal government and to pay the interest on the funded debt. It is believed that the valuation of the real estate of the District is much beyond its cash value, and when it is remembered that the real estate of the District is chargeable or has paid one-third of the cost of the improvements that have been made within the last five years, it becomes simply impossible for the people of this

District to pay the interest on this debt and provide for the ultimate payment of the principal. Congress has in the last few years appropriated \$10,859,600 for the general purposes of the District, exclusive of appropriations for public buildings, the asylums, and other Government property, the Botanic Garden, and the grounds attached to these buildings and grounds; and the startling fact confronts us, that in this District of the ninety millions dollars of real estate, at least one-fifth of it is now held by the District government and the banks as purchasers undersales for the non-payment of general and special taxes. Another sale of lands, delinquent in the non-payment of taxes, has lately been advertised, covering twenty-seven pages of the National Republican newspaper, and unless some relief is afforded to these people very soon the larger part of the real property of the District will pass into the ownership of the District government and the banks. This failure in the payment of the taxes levied to carry on the government of the District affords conclusive proof that the individual indebtedness is pressing upon the people with equal weight with the public debt, and when it is known that a very large proportion of the wood and concrete pavements laid down within the last four years will necessarily have to be renewed within a very short time, thus entailing additional taxation, it will soon be a question with many property-owners whether it will not be wiser to abandon their property to the District government than to retain it with its incumbrances.

Mr. Speaker, I have brought these facts to the attention of the House in order that they may understand that this District debt concerns our constituents no less than the people of this District, and that they may fully appreciate the gross wrong that has been done to the tax-payers of the country and of this District by the commissioners in needlessly and illegally adding to the volume of that debt. In the report of the majority of the committee this illegal and unauthorized addition to the debt is put down at \$3,091,046.13—I believe it is, in fact, in the neighborhood of four millions and a half—and that the entire 3.65 debt ought not to have exceeded \$10,500,000. This would be allowing three millions and a half for the completion of the unfinished contracts of the board of public works, and is in excess of the estimate of the joint committee by the sum of \$2,175,000. In fact, no such sum as three and one-half millions was spent in the completion of these unfinished contracts of the board of public works.

It is worthy of remark that in all the eight classes of indebtedness, excluding the fourth, the aggregate estimate, made by the board of audit December, 1874, was less by \$114,000 than the amount audited and certified in the seven other classes; nor did their estimate differ very materially from the estimate of the joint committee of the last Congress; but it was in the fourth class, embracing claims for completing unfinished contracts, as well as extension and repair work, that the actual amount of certificates audited exceeded fourfold the estimate of the joint committee and is three times greater than the estimated amount of indebtedness in that class according to the report of the board of audit of December, 1874.

If these commissioners had not been controlled by some malign influence, if they had not been seduced by some spirit of evil or yielded to the dominion and authority of bad and unscrupulous men, why did they not cease to increase the debt of this District when they saw they were so far exceeding the calculations and estimates of the committee of the last Congress? How was it possible for sane men to conceive that they were carrying out the will of Congress by expending seven millions when the framers of the law by which it was expended only intended they should expend a million and a quarter? How does it happen that they never thought of taking the opinion of the Attorney-General as to their power to make new contracts for new work and pay therefor in 3.65 bonds, or as to that construction of the contracts of the board of public works which enabled them to put three quarters of a million of dollars in the pockets of two of the pets of the deposed board of public works without competition and at ruinous prices to the District? How can they explain the extraordinary fact that after Congress made them an appropriation for repairing the wood and concrete pavements up to the 30th of this month they failed to use the money so appropriated, and expended eight times the sum asked for and appropriated in the bonds of the District for the same purpose without authority and without law? What apology can be found for their adopting in 1875 a system of awarding contracts which they had repudiated in 1874, and which had been condemned by the report of the joint committee of the last Congress? How will they justify themselves before the country for obtaining an appropriation from Congress for over a million of dollars for the general purposes of the District, and with this sum of money to their credit and unexpended make a contract to be paid in cash, and in order to raise this cash sell the bonds of the District at a shave of seventy cents on the dollar?

Mr. Speaker, such acts of illegality and unfaithfulness in the exercise of the authority conferred upon these officers by Congress can neither be explained, excused, or justified, and it seems to be about time that Congress shall do something to vindicate the authority of the laws of the land on the officials of this District government. It is not denied that much of the debt authorized to be funded in 3.65 bonds by the act of June 20, 1874, was incurred in defiance of law and against the clear and explicit intention of the law-making power. The joint committee of Congress, composed of men of both parties, so reported unanimously. But the parties thus guilty of usurpation of authority and violation of the law were permitted to



escape almost without a censure or a reprimand. The men who had brought the District to the verge of bankruptcy were driven from place, and the exclusive authority of the District was transferred to the present incumbents under such limitations and restrictions as absolutely stripped them of power to add a dollar to the debt of the District. No one doubts but that such was the intention of Congress, and I maintain that no man can come to any other conclusion from reading the act of June, 1874, to say nothing of the circumstances surrounding its passage. But strange to say, these commissioners were seized with an insane impulse to disregard the law which gave them being, and have construed that law as if it gave them unlimited power to increase the debt of this District, so that increase was for the purpose of improving the streets and sidewalks and otherwise beautifying this capital. Instead of the 3.65 bond being confined to liquidate and fund indebtedness existing on their advent to power, it has been construed practically to pay for work authorized by them and in execution of contracts that never had any existence until signed and sealed by them. By this false and unreasonable construction of the law they have added to the debt of this District from three to five millions of dollars; and the question arises whether this House will pass this matter by with a mere reprimand or censure of these officers.

It is not simply for a misconstruction of the law that I insist these officers should be turned over to the courts. Their offense is not merely that they have misconstrued the law, but that by their misconstruction they have wasted the resources of the District. And in this respect, under the terms of the bonds which they executed, they do not differ from other trustees. In fact, they were not only executive officers, but they were assignees in bankruptcy of this debt-burdened District. The guardian who should sell the securities of his ward at a heavy discount to pay an obligation of his ward when he had plenty of cash on hand belonging to his ward would be held responsible for waste of the estate. He must construe the law applicable to his duties at his peril, and if by his misconstruction of his duties he injures the estate of his ward, he must be held responsible. So in this case, these officers have not only violated the law, especially when they contracted to pay for the repair-work of last year in 3.65 bonds, but by giving the work to favorites it cost one-third more than it was worth, and instead of paying for the cash part of the contracts with money asked for and appropriated for that purpose, and which they had expended in the Treasury, they caused to be issued the bonds of the District and sold them at their market value in order to raise the cash with which to comply with their illegal contract. If this is not such wrong-doing and waste of the resources of the District as constitute a breach of their bond, I can conceive of no state of facts short of absolute proof of corruption that would make them amenable on their official bonds. And if there is any place in the United States where public officers should be held to a strict and rigid accountability, it is in this District. I do not believe that if these commissioners had been required to exercise similar functions outside of this District, and free from the powerful and controlling influences surrounding them here, that they would ever have departed so far from the path which the law prescribed for them.

The population of this District differs in many respects from that of any other in the Union. Without commerce, trade, or manufactures, with scores of bold, unscrupulous adventurers ready to engage in any raid upon the national or District treasury that promises success, and with but a comparatively small proportion of its people who are not directly or indirectly dependent upon the Government for the means of living, there is of necessity a powerful interest here in behalf of lavish expenditures and liberal disbursements of public money. Official delinquency that opens the doors of the Treasury, or that promises to improve the city and beautify the capital of the nation at the expense of others, if not openly approved, is silently connived at. It was the pressure of such a public opinion, encouraged and directed by the man who organized corruption in this District as never before—who when rejected by the Senate for a place on this commission never abandoned his purpose to control it in his interest and that of the cormorant crew that follow his lead and obey his orders, to which the executive officers of this District in an evil hour yielded. It would not surprise me to learn that he dictated the appointment of a part of this commission of which the Senate refused to consent that he should be one. Nor need the public be surprised to learn that there has been a continual conflict in this commission between those who yielded willingly and those who resisted this malign influence.

But be this as it may, we cannot fail to comprehend the magnitude and extent of the influence brought to bear upon these commissioners by the head of the Washington ring, occupying the relation of a confidential friend of the President and of his late private secretary. That they have disregarded the plain provisions of law and added to the burdens of the people of this District unnecessarily and without justification or excuse is beyond question; and if we would vindicate the law and require implicit obedience to its commands in this District as elsewhere, these commissioners should be required to answer for their delinquencies before the courts of the country, and the Attorney-General will fail, in my judgment, in the discharge of his duty if he neglects to institute legal proceedings against each of the commissioners for a breach of the condition of their several bonds.

Protection to American Citizens Abroad—Germans and Irish—Parties and Platforms.

## SPEECH OF HON. SAMUEL S. COX, OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

July 15, 1876,

On the bill (H. R. No. 2245) to carry into execution the provisions of the fourteenth amendment to the Constitution concerning citizenship and to define certain rights of citizens of the United States in foreign countries and certain duties of diplomatic and consular officers, and for other purposes.

Mr. COX. Mr. Speaker, platforms are proverbially unreliable. When parties go before the country on great issues, it is pleasant to find them agreeing on certain points. When such points involve the sacred rights of citizenship, so prized since the proud Roman epigram, *Civis Romanus sum*, and so often fought for between nations of modern times, citizenship then becomes an exultation worthy of national anthems. The platforms of the republican and democratic parties read much alike on this high theme. I place them side by side:

### Republican Cincinnati platform.

It is the imperative duty of the Government to modify existing treaties with European governments, that the same protection shall be afforded to the adopted American citizen that is given to the native born, and that all necessary laws should be passed to protect immigrants in the absence of power in the States for that purpose.

### Democratic Saint Louis platform.

Reform is necessary to correct the omissions of a republican Congress and the errors of our treaties and our diplomacy, which have stripped our fellow-citizens of foreign birth and kindred race recrossing the Atlantic of the shield of American citizenship and have exposed our brethren of the Pacific coast to the incursions of a race not sprung from the same great parent stock, and, in fact, now by law denied citizenship through naturalization as being neither accustomed to the traditions of a progressive civilization nor exercised in liberty under equal laws. We denounce the policy which thus discards the liberty-loving German and tolerates the revival of the coolie trade in Mongolian women, imported for immoral purposes, and Mongolian men hired to perform servile labor contracts.

### CHINESE QUESTION.

It is not my purpose to discuss the Chinese question. It affects as yet only the Pacific coast; but it is in no sense the question of healthful and vigorous immigration, such as has made America great. The 150,000 Chinese are not assimilated and cannot be assimilated with our people. They are a menace to our industry and a drain upon our resources. Besides, they are a peril as foul as leprosy. They are and ever will be an alien element.

Eliminating, then, the reference to the Mongolian, who is by his habits and his industry driving the Pacific coast with its advancing civilization almost to despair, let us examine the practice of the two parties in reference to this question.

### MODIFICATION OF TREATIES.

This republican platform has the effrontery to call for a modification of existing treaties with foreign governments. Why? In order that the same protection shall be afforded to the adopted citizen that is given to the native born; that all necessary laws should be passed to protect emigrants in the absence of power in the States for that purpose!

Never in the history of political parties was there so gross an insult to ordinary intelligence as this platform. This I will proceed to show. What treaties are referred to in it? Is it the treaty with Great Britain or the treaty with the German Confederation? If it is the treaty with Great Britain, the credit, if any, confessedly does not belong to the present administration; and if it did, that treaty needs no modification unless republican zealots desire to make it conform to the outrageous treaty made by George Bancroft with the German Emperor in 1868. The British treaty was celebrated in the administration of Andrew Johnson. Then our Secretary of State instructed Reverdy Johnson, our minister to England, on the 23d of September, 1868, to place this matter of protection or allegiance above all others in importance. He ordered it to be considered before any other diplomatic question. The San Juan boundary and the Alabama claims questions, then pending, were to be held in abeyance until "the naturalization question should be satisfactorily settled by treaty or by law of Parliament." The American principle, once advocated by Cass, Marcy, and other democratic statesmen, was then and thus laid down by the administration of Johnson:

The principles to be settled are, that it is the right of every human being who is neither convicted nor accused of crime to renounce his home and native allegiance and seek a new home and transfer his allegiance to any other nation that he may choose; and that, having made and perfected his choice in good faith, and still adhering to it in good faith, he shall be entitled from his new sovereign to the same protection, under the law of nations, that that sovereign lawfully extends to his native subjects or citizens.

Our minister to England followed these instructions, and the result appears in the first article of the protocol, which is as follows:

Such citizens as aforesaid, of the United States, who have become, or shall become, and are naturalized according to law within the British dominions as British subjects, shall, subject to the provisions of articles 2 and 4, be held by the United

States to be, in all respects and for all purposes, British subjects, and shall be treated as such by the United States. Reciprocally such British subjects as aforesaid who have become, or shall become, and are naturalized according to law within the United States of America as citizens thereof, shall, subject to the provisions of articles 3 and 4, be held by Great Britain to be, in all respects and for all purposes, American citizens, and shall be treated as such by Great Britain.

Mr. Johnson subsequently, in reviewing the negotiations he had conducted in London, thus disposes of the matter of naturalization:

The English doctrine is so wholly unfounded in reason that his lordship did not hesitate to abandon it. Growing out of a feudal policy, it is unsuited to the rights of a free people. It assumes that allegiance is due to the soil upon which a man is born. It makes him therefore a political serf, and denies to him the power to change for the better his condition. No free people can consent to such a doctrine, and notwithstanding the uniform decisions of Her Majesty's courts, hoary with age, and never for a moment questioned by any judicial decision, even up to the moment when our protocol was signed, it fell at once before the light of British and American freedom.

To Andrew Johnson and Reverdy Johnson is due the merit which belongs to this recognition of the protection which our Government owes to a citizen who has fixed his fortune with us and contributed to the development of our greatness. They held aloft the idea that he should not against his will, forfeit the protection of our Government; so that this treaty, which is a triumph of democratic policy, needs no "modification" and is its own best encomium. Does the republican platform propose to modify it?

#### GERMAN TREATY.

Mr. Speaker, I presume the republican platform which I have quoted did not contemplate this treaty. Perhaps it referred to the very extraordinary treaty of Bancroft made under the republican administration of General Grant. By that treaty the doctrine that a naturalized citizen is entitled under the law of nations to the same protection that a native subject is, was shamelessly abandoned. A German naturalized citizen is thereby remanded to the authority of his fatherland if he should return there and remain beyond a period of two years. This treaty expires next year; but every moment that it remains it is a national disparagement and disgrace. Under its provisions already a German-American citizen, Steinkauler, has been placed in the Prussian army and deprived of our protection.

Not once nor twice, but thrice, have the President and his Secretary of State asked Congress for legislation to carry out this un-American treaty. The bill now before the House, to which I am speaking, is one of this character. It is almost a copy of the bill of Hon. E. R. Hoar of the last two Congresses. That bill I have had the pleasure and the honor thus far to assist in defeating. Whenever it is called up in this House it will be promptly tabled. Of that I am assured. It should be called a bill to "denaturalize" our citizens, to "discourage" immigration. The distinguished editor of the Illinois Staats-Zeitung wrote to me in April, 1874, and thus describes a similar bill and pictures some of its results:

Upon the subject of the denaturalization bill which, in your speech of April 22, you have opposed, I have written quite a lengthy letter to Mr. Orth, of Indiana, and I wish you would read that letter if Mr. Orth should not have destroyed it. There are a few points in it which, in my opinion, have not yet been as thoroughly ventilated as they should be. One is that, by the Bancroft treaties, a naturalized citizen residing in his native country two years may be considered as having relinquished his American citizenship. When this treaty was before the then North German Diet, Bismarck stated expressly that the German government did not intend to make use of this provision except in such cases where *malæ fide* emigration (for the purpose of evading military service) was clearly proven. But by the present bill the United States would actually cast out of their citizenship all naturalized citizens who should reside two years in their native country, thus out-Bismarcking Bismarck considerably.

The other point is that in regard to alien women marrying American citizens and thereby becoming American citizens themselves except as to the country of their birth. That provision, in spite of all Mr. Hoar says in its defense, is a brutal and stupid outrage upon all marriage legislation of all civilized countries. According to it, if my wife, after having become the mother of half a dozen native Americans, should, as a widow, live ("continue to live") with her relations in Germany, she would lose her American citizenship after having lost her German one by marrying me; would, in fact, be an outcast.

The title of the bill should read: "A bill to declare all naturalized citizens citizens on sufferance, to make them hate the United States as their stepmother country, and to repudiate the pledges given by the Republic to her naturalized citizens."

Yours, respectfully,

HERMANN RASTER.

Since the treaty expires on the 19th of November, 1878, it may not be necessary to carry out the very tardy and dishonest suggestion of the republican platform to "modify" it for the protection of adopted American citizens. But, in the language of the democratic platform, "reform is necessary to correct these errors which have stripped our fellow-citizens of foreign birth of the shield of American citizenship." The advent of a democratic administration will allow no diplomacy which thus discards the liberty-loving German from partnership in our franchises and prosperities. We can ill afford to pursue any policy which would close our ports to emigration from an empire which has 43,000,000 of thrifty people.

I have already, Mr. Speaker, on the 22d of April last, given my reasons against the attempt to make laws here to execute this un-American policy and treaty; but the importance of the question in connection with our presidential campaign and the platforms of our parties constrain me as the representative of a district containing a large majority of people, foreign-born or of foreign descent, and including some 30,000 German people, to add other suggestions against this proposed legislation.

#### THE ORIGIN OF THIS PROSCRIPTIVE, ANTI-GERMAN LEGISLATION.

What is the source of this proscriptive legislation against our naturalization? It began with our Executive, his Secretary of State, and Mr. Bancroft, minister to Berlin.

The President of the United States in his last annual message to Congress speaks of persons "who, if they have remained in this country long enough to entitle them to be naturalized, have generally not much overpassed that period, and have returned to the country of their origin, where they reside, avoiding all duties to the United States by their absence, and claiming to be exempt from all duties to the country of their nativity and of their residence by reason of their alleged naturalization."

#### FEUDAL AND "FEDERAL" DOCTRINES.

The doctrine underlying this paragraph of the message is abhorrent to every thinking man of republican feelings. It is essentially the old feudal doctrine of a government represented in the person of the monarch having all the rights, and the subject being the bounden servant, on whom are heaped all the duties. It is essentially the old feudal doctrine that no subject can go from the country where he is without the consent of his master, the government. It is essentially the old feudal doctrine that man is created solely to pay taxes and carry the lance or musket in the service of his owner, the government. It should bring the blush of shame to the face of every true American to hear the President of the Republic in this centennial year discussing the question of citizenship from the stand-point of an absolute king. Nay, the relations of the citizen of the United States, whether native or naturalized, to the Government of his country are of a wholly different character than what the President seems to assume. The Government of this country is in the people thereof, under the Constitution, and every citizen, at home and abroad, is an integral part of that Government. The President of the United States, the heads of the various Departments, the Senate, the House of Representatives, are only the servants of the people to execute their will. No citizen of the United States owes any higher duty to the Government than he owes to himself. He is personally a part of that Government; even the man who defrauds the revenue only defrauds himself and his fellow-citizens in the end. It is logically said in political economy that the wealth of a nation is composed of the wealth of individuals. Fully to the same extent does republican government rest upon the republican spirit of the citizens who compose, maintain, and direct it, and who really constitute the Government by sending us here to take care of—what? Of the rights of the Government as a distinct, separate entity? No; but of the rights and interests of the people, of the aggregate of those who enjoy the proud name of citizens of the United States, wherever they may be on the face of the earth.

#### OUR CITIZENS ABROAD AND THEIR RELATION.

An alien, becoming a citizen of this Republic according to its laws and by the adjudgment of a court of competent jurisdiction, does not by going abroad, no matter where, avoid any duties to the United States. He may not pay taxes nor serve in the Army; but there are millions upon millions in the country who pay no taxes nor enter the Army, some not even in the militia; yet they are good, faithful citizens. Their will must find expression here. But the men who, on being naturalized, return to their original home, claiming to be American citizens under the protection of the American Republic—and it is this class about which so much clamor has been raised—may be divided into two categories: one honestly attached to republican principles, the other not, but seeking fraudulently the cover of American citizenship to escape some hardships in their native country. As to the latter class, there is a plain legal course open. Any person claiming the protection of American diplomatic or consular representatives as a naturalized citizen must, as a universal rule, exhibit an exemplified copy of the decree of the court adjudging him a citizen, under the signature and seal of the clerk or prothonotary. If the document be fraudulent on its face or circumstances indicate that fraud had been committed in obtaining it, information to the State Department should at once set in motion the United States attorney for the district where the decree was procured to apply to the same court to have it canceled. The rules of practice, as every lawyer knows, authorize every court to make the required orders for the service of motion-papers and for taking proof. A single case of the revocation of a decree of naturalization obtained by fraud, either absolute or proven such by subsequent circumstances, would suffice to relieve our representatives abroad of all further trouble.

But those who become *bona fide* citizens, who as the act of 1802 requires, "absolutely and entirely renounce and abjure allegiance and fidelity to every foreign prince, potentate, state, or sovereignty whatever, and particularly, by name, the prince, potentate, state, or sovereignty whereof he was before a citizen or subject," and who also makes oath that he is "attached to the principles of the Constitution of the United States and well disposed to the good order and happiness of the same"—when such a naturalized citizen goes abroad, even to the country of his birth, we should look upon him as a missionary of republicanism. To the return of thousands of just such men and their more or less protracted residence at the home of their youth, proclaiming themselves in all places and at all times as citizens of this Republic, and in their own persons bearing testimony to the



ennobling influences of the democratic system—to such men and to their missionary labors we owe many millions of our most thrifty population. Besides, do we not owe them a large share of our miraculous growth? They serve their adopted country well, far better than those who, after accumulating wealth here, go abroad, resume their first allegiance, and become the lick-spittles of aristocracy, or those who born here, and having wealth, go abroad to show everything else but American manners and principles, and who deride and defame this country beyond measure.

But the naturalized citizen who proves his attachment and fidelity to the United States not only by taking the oath in good faith, but by holding his citizenship dear while abroad, is doing, instead of avoiding, his full duty to the United States, and such men should and must be protected at all hazards.

#### THE AMERICAN DOCTRINE.

In this respect the course of the State Department has been distinguished by too much anxiety for technicalities. I disclaim all design of being invidious or personal in this remark; but the fact is, nevertheless, that those in authority allowed themselves to be overmuch beclouded by the old English common law on the question; what Vattel said, and Puffendorf, and Grotius, and other European writers on international law, and what the *obiter dicta* had been in some of our courts. Never for a moment was the thought, entertained of late, that as the American Revolution upset all the old European notions of government, so did it also, in its successful course, establish a new American common law regarding allegiance, expatriation, and naturalization. The United Kingdom of Great Britain and Ireland and the Austro-Hungarian Empire have recognized substantially the American doctrine enunciated by General Cass; and if we only persist, all the nations on the globe will do it also. The German Empire is striving hard to prevent it, and the treaty of 1868 was but a means to that end. If fears that by obeying the treaty of 1868, insuring freedom of residence and security and protection to all American citizens alike, the missionary labors of Americans of German birth would draw hither too many emigrants from that country. A friend has shown me a letter from Bremen, dated December 30 last, which says that peremptory orders are said to have been issued by the minister of commerce at Berlin to all the local agents of transatlantic steamship companies in Germany, that they must, under penalty of fine and imprisonment, give no information about America to any inquirer, but confine themselves to give only the price of passage, names of vessels, and dates of departure. From this, if true, it would seem that America is a forbidden theme, and that even to talk about us in the United States is a punishable offense in Germany. All the greater, therefore, is the reason why we should retaliate by insisting upon the full observance of the treaty of 1868, and demanding that a native German, legally naturalized here by a court of competent jurisdiction, returning to Germany, returns as an American citizen and in no other character, and remains such until he shall have voluntarily assumed a new allegiance. This is the American common law, and should be resolutely maintained not only in respect to Germany, but all nations of Europe. England and Austria have virtually adopted it, and other governments will follow in time. America was the first to proclaim the principle that free ships make free goods, and by the treaty of Paris of 1856 all Europe accepted it. So will the American doctrine of allegiance, expatriation, and naturalization be accepted if the representatives of the American people are faithful to their duty. Then we shall see free American colonies springing up everywhere and dotting every country on the face of the globe, reverencing the flag that shields and protects them, and bearing witness to the world in a thousand tongues, that to be an American is to be truly a free man!

There is, however, one fundamental objection to the principle which underlies this bill and the argument in its favor. The United States have neither the right nor the power to prescribe where any of their citizens shall reside. If the free movement of the citizen to go where he listed can be restricted in one case it may be restricted in all, and he would then hold his citizenship and his personal liberty and independence at the mere pleasure or caprice of a government that would cease to be republican. It would be to resuscitate the old feudal doctrine of the subject bound to the service of his master, the king; precisely what the German government claims and what the United States have so long and so strenuously resisted.

#### STEINKAULER CASE.

The report upon which this bill is predicated, in its opening paragraphs, says that "the natural right of emigration affirmed by that treaty, with all the consequences of acknowledging that right, have been fully recognized," and toward the close it is again said that "this treaty recognizes the full right of a German subject to renounce his allegiance to the land of his birth, and through our naturalization laws to acquire a new nationality in the United States." This is true, but only in a very qualified sense, as has been seen in the case of young Steinkauler, whose birth on American soil as the son of an American citizen did not save him from being held as a German subject liable to military duty in spite of the protest of his father, who claimed for him protection by right of his American citizenship. This recognition on the part of Germany of the natural right of emigration and expatriation resolves itself into this: As long as a native German, naturalized in the United States, remains away from his

native land and beyond the power of its authorities, he is looked upon as an American citizen, and his nationality and protection graciously surrendered to the United States; but the moment he touches German soil his original character revives, and thereafter he holds his naturalized citizenship dependent on the good-will of the German government. That, in a general way, is the kind of recognition which this treaty has secured from Germany for the principle which America has so long maintained, and for which recognition we are requested to be so thankful.

#### PRACTICAL WORKING OF THE GERMAN TREATY.

A few words as to the practical working of the treaty in relation to the thousands of German-Americans who annually visit their old country for weeks or months and return to the United States without being molested. In his letter to the State Department of June 30, 1874, Mr. Bancroft states their number at "from 10,000 to 15,000" who "come yearly to their mother country now, without suffering the least anxiety, where before many of them, in order to see their friends, were obliged to remain on the other side of the frontier or come into Germany stealthily, running the risk of arrest every hour." This may be so; but if it proves anything, it only shows that the German or rather the Prussian government has not lived up to its obligations under the treaty of 1868, which insured protection and security to all American citizens sojourning in Prussian dominions, and made no distinction as to the country of their nativity.

I am aware, Mr. Speaker, that international law does not relieve an emigrant from the consequences of an offense committed in the land of his birth prior to emigration, when he returns there, after being naturalized in another country; and I know, also, that under Prussian law since 1814, and re-enacted in the penal codes of 1842 and 1851, emigration without permission of the government was an offense punishable with fine and imprisonment, and subjecting the emigrant to military service at whatever age he may have returned. If the United States are prepared to accept this doctrine of Prussia as valid, then the treaty of 1868 may be defended as a slight concession. But I claim that this country has emancipated itself from this rule of feudalism, and has announced and should maintain the truly American principle of international law as to the indefeasible right of emigration and expatriation. That doctrine is, no man can be bound in any service to a government whose citizen or subject he has ceased to be by voluntary naturalization elsewhere. It is this principle that the treaty of 1868 offends against, out of undue deference to the penal code of Prussia. It is therefore wrong. It is an attempt to assimilate the relations subsisting between the free American citizen and his self-chosen government to those of the Prussian subject to his inherited and anointed king. In this respect the treaty is essentially un-American, un-republican, and contrary to the principles that should guide the intercourse of our people with foreign nations.

#### OUR EARLY POLICY ON IMMIGRATION.

The importance of a national and just policy of protection to our citizens abroad needs no extended remark. It has been the true policy of the Government always from the beginning to encourage immigration. Indeed, before we were independent States, it was a complaint against the British king that he discouraged immigrants on hither. It was a capital grievance against King George, formed in the indictment of the great Declaration.

After the Revolution, and when parties were forming, the hated alien law was a result of the crystallization. The Federal party was its champion; the democratic party was its opponent. It extended the time of naturalization, and would have continued the proscriptive policy of King George, against which we contended.

In the various questions connecting itself with the war of 1812, and since and down to the Kosztka case, the democracy defied foreign aggression upon this subject. Our flag was held as a cover and our land an asylum from the persecutions and tyranny of the Old World. The millions who have come to us from Ireland and Germany, as well as from other foreign countries, bringing with them their muscle, mind, and means, and declaring their intention to cast their lot and that of their children with us, made it imperative that a system should be instituted having for its basis the recognition of the changes and chances upon our earth by locomotion. Men will come and go. Wars and taxes will be levied. They drive from the roof-tree the children of every clime. It has been fixed as a rule of democratic action that no backward step should be taken to lessen the name of the American citizen in the world, and no policy started to render less attractive the forces which draw the men of other lands to ours.

#### RELIGIOUS BIGOTRY.

Besides this question of proscription, which broke out in Know-Nothing times, is now as then gradually associating itself with sectarian matters and all the bitter fruits of such policies. The message of the President of the United States at the beginning of this Congress, the amendment of the present Senator from Maine, [Mr. BLAINE,] now in the Judiciary Committee, and the reference in the republican platform as well as in the letter of acceptance of Governor Hayes, all point with no unmistakable index to a sinister sentiment of religious bigotry. It becomes liberal men to watch it heedfully. It is no unmeaning hint that a so-called religious paper gives, when it says that the struggle next fall is of great and far-reaching importance, because the Roman Catholics will be on the one side and all the Protestants

worthy of the name on the other. We know what it means when it denounces our Irish and German citizens, and thus lashes passion into fury:

Had the hordes of priest-ridden Irish Roman Catholics and atheistical Germans which have since invaded the land come a century sooner, a stable republic would have been no more likely here than in Mexico; and the question arises now, How much strain can the good element in our nation bear?

If these intimations from the political Pharisees have any significance they point to a coarse, emotional, vindictive campaign which would not only attack religionists of every sect who do not agree with the writers, but would raise a barrier against that thorough unity of sections, religions, and races which is the pride, strength, and glory of our institutions.

#### A BLOW AT IMMIGRATION.

Even yet, when the best body and mind of Ireland has been mingled with that of our own country, and when the Irishman competes with the German in filling up the vast spaces which our territory allows for accession by immigration, it is no mere guess to say that a system of proscription, a system which would discard naturalization, strikes at one-half of our 45,000,000 of people who are either by foreign descent or home adoption imbued with our Republic. But it does more, it strikes at the grand future which is in store for us, by which we will be enabled to fill up our immense area of land with useful, industrious, patriotic men.

When our nation began its first century it had but a population of 2,750,000. Its area has been extended from 800,000 miles to 3,603,844 square miles. Annexation has quadrupled our area since the Revolution. But with all our purchases of Florida, Louisiana, New Mexico, California, and Alaska we gained fewer than 150,000 inhabitants, while the acquisition of Texas and Oregon merely restored to citizenship those who had emigrated from the United States. In more senses than one, therefore, should we rely upon immigration to develop the vast resources, mineral, agricultural, and manufacturing, which tend to make a country great and prosperous.

What a commentary, therefore, in this view is the false platform and narrow policy of the anti-naturalization and anti-immigration party.

Since our nation began, frequent efforts have been made by parties, to impede naturalization and to detract from the value of citizenship when acquired.

#### OBSTRUCTIONS TO NATURALIZATION.

Is it not fresh in our recollection that a recent republican Congress endeavored to administer upon the estate of its Federal predecessor by enactments which obstructed naturalization? A bill was introduced from the Judiciary Committee which took away from State courts the power to naturalize and vested it in United States courts. It provided that applicants must first file an application with the clerk of the court which should state full particulars of birth, parentage, residence, arrival in the country, &c., and give the names of two citizens who knew him personally, and after four years of subsequent continuous residence in the United States, six months of it in the State and thirty days in the parish where he claims residence, he might be admitted to naturalization upon proof of all the facts, moral character, &c., by two witnesses.

Had this bill become a law, the naturalization of foreign-born citizens would have ceased for four years at least. Even those who had made their first declarations under existing laws would have to begin anew under this law, which was framed on purpose to obstruct naturalization in every way possible. Applicants would have had so far to go to get naturalized, not to mention the expense of taking witnesses with them and the delay and difficulty, that very few would ever have attempted it.

This scheme was not based upon any principle of right, justice, or public welfare, but solely upon base partisan considerations. It aroused the indignation and excited the execrations of every man possessed of any regard for common honesty and common decency. It was defeated by democratic vigilance.

Easy, indeed, was it to permit the millions of African ex-slaves to citizenship and suffrage. Easy, indeed, to hurry them to the polls, however ill prepared for intelligent suffrage, even though born in Canada or the West Indies; but it was another question when the Irishman or German came forward to attest his fidelity to our Government and to renounce his allegiance to Queen and Kaiser.

The bill referred to as urged upon a recent Congress was intended to interrupt naturalization for four years and six months. It was intended as a penalty on certain citizens for adhering to democracy. By restricting the authority to grant naturalization to the Federal courts, that measure denied the right to all except those who happen to reside in the vicinity of the places where such courts are held, and denies it even to a majority of those who have that advantage. There are in the United States nine circuit judges; and generally one district judge in each State, but in some of the larger States two. So small a number of judges could not attend to all the cases of naturalization. Naturalizations could be granted only in term time, and the person must apply at least twenty days before the beginning of the term or session of the court. In every case evidence must be heard; one or more witnesses must be brought by the applicant and examined by the court in relation to the facts and circumstances. And any person who chooses to come into the court and oppose the application is entitled to offer counter-testimony and produce a set of wit-

nesses and have them examined. Each individual case may thus be prolonged into a trial; and, with so small a number of courts, not a hundredth part of the applications could be heard and decided.

#### OTHER OBSTRUCTIONS TO NATURALIZATION.

Other obstructions were contrived by the authors of this bill. The distance which applicants would be compelled to go to attend the court, and the expenses and delay incident to the proceedings, would discourage the greater number. If the applicants should be numerous and the court full with other business the applicant might be detained for weeks with his witnesses; his bills growing, his wages stopped at home, his witnesses accumulating demands against him for their loss of time. He would have to take his turn like grangers at a grist-mill among the applicants. Under such a law naturalization would be so expensive, dilatory, and vexatious that few would apply for it; and this was the object for which this bill was concocted.

#### A DEMAND FOR AMERICAN RIGHTS.

Our contiguity to Cuba and the conflicts in that unhappy isle have contributed to many urgent diplomatic efforts to guard our interests and protect our citizens. Out of these efforts came the law of July 27, 1868. (Revised Statutes, page 352.) It is quoted as a sample of that policy which was the result of democratic success against Federal sycophancy to foreign powers:

SEC. 2000. All naturalized citizens of the United States, while in foreign countries, are entitled to and shall receive from this Government the same protection of persons and property which is accorded to native-born citizens.

SEC. 2001. Whenever it is made known to the President that any citizen of the United States has been unjustly deprived of his liberty by or under the authority of any foreign government, it shall be the duty of the President forthwith to demand of that government the reasons of such imprisonment; and if it appears to be wrongful and in violation of the rights of American citizenship, the President shall forthwith demand the release of such citizen; and if the release so demanded is unreasonably delayed or refused, the President shall use such means, not amounting to acts of war, as he may think necessary and proper to obtain or effectuate the release; and all the facts and proceedings relative thereto shall as soon as practicable be communicated by the President to Congress.

It will thus be seen that by this act of Congress the Executive is bound to "demand," not request, not beg, not sue for clemency or relief, but "demand" the liberty of the American citizen wrongfully detained abroad by foreign power. Without this "demand" the polite phrases of diplomacy are of no avail. They are evidences of puerility and weakness, unbecoming a nation of a hundred years and utterly inconsequential for practical remedy of the wrong.

Without going further into the history of this and kindred legislation, it may be well to make a comparison of the practice of the two parties in this matter.

#### AN IRISH CASE—CONDON.

I refer now to an Irish case. What is its history? Who is Edward O'M. Condon? The history of the Condon case is the history of a mockery of justice. England herself has admitted that the trial was a farce. The Department at Washington know this fact to be true, and although he is an American citizen, he has been allowed to sink under British imprisonment.

What is the history of this case? In September, 1867, Captains Kelley and Desey, two Irish-American officers, were charged with being in a Fenian conspiracy. They were arrested for favoring an independent, republican Ireland. While being conveyed from Manchester to the county jail at Salford they were set at liberty by those who sympathized with them. A policeman was killed by the accidental discharge of a pistol. Irishmen at that time were arrested everywhere in England on suspicion. Among the men seized for the rescue of Kelley and Desey, was Condon, who was then visiting friends in Manchester, along with four others, Allen, Larkin, Maguire, and O'Brien. He was tried before two unscrupulous judges specially selected to convict. On the 2d of November, 1867, they were all convicted and condemned to death. After conviction the members of the press memorialized the home secretary of England for the enlargement of Maguire. There were not five separate verdicts but one indivisible verdict, which was clearly illegal. To hang anybody on such a verdict was murder. Maguire received his liberation, and thus the verdict, which was indivisible, was proclaimed a nullity.

#### CONDON—A VICTIM.

British opinion at that time demanded some one should be a victim, and although there were many points made it was decided to make an example. True Mr. Secretary Seward interfered to save Condon from the gallows, though the other three, Allen, Larkin, and O'Brien, were hanged.

The testimony taken in the case shows that Condon was convicted on the testimony of five among a batch of ten proven perjurers. They were of the most disreputable character. It is unnecessary to go into the testimony in detail. The State Department neglected his case and American citizenship seemed to be worth nothing. The case concerns the dignity and honor of this country. It concerns as much the personal liberty of Condon. It is not a question of British clemency, but of American national courage. Not hanged, only imprisoned, sinking under the effect of wounds from a cowardly mob and a worse police, with blood flowing from his lacerations under his manacles, he remains still in British custody, a conspicuous example of foreign perjury, and for his imprisonment no adequate reparation can ever be made. What a commentary on the republican platform at Cincinnati!



It is shrewdly suspected that Condon is kept imprisoned by way of example, and not because he is guilty of any crime against the British law. The last message that we hear from him in his imprisonment speaks a spirit like that of Emmett: "They may kill my body, but they cannot kill the aspirations of my heart or alter its love of country."

Looked upon in his prison as an Irish rebel, he has every indignity heaped upon him. We are told that he has one consolation. It is a copy of Virgil's *Æneid*. He may solace himself with the classics and with other books which his friends have asked for him, but there will be no solace to the American people, whose soldier-citizen he was, until he has a full and ample justification and release.

#### MOCKERY OF ENGLISH JUSTICE.

The question may be asked, wherein consists the mockery of this trial? The answer is that perjury was committed, that prejudice existed at the time in England against all Fenians, and that the trial had a political aspect. And was not this trial and its results more than a mockery, since this scholar, gentleman, and soldier has been held in durance with the lowest class of English criminals? The political animus will appear when it is stated that Maguire, a British soldier, was released entirely, while three of his associates in a joint indictment were hung, and the anomalous condition of the case, owing to the combination of all the defendants in the one indictment and trial, makes it clear that it was neither technically legal nor morally just.

Condon was a soldier in the Federal Army. He served four years gallantly. After the surrender of General Lee he went to Cincinnati. There he remained until 1867. He was sent over to Ireland on business relative to an estate left by his father. He was in Manchester to see his relatives, and most unfortunately he was there at the time of the rescue of Kelley and Desev and the murder of Sergeant Brett. The trial was as hurried as it was cruel and unfair. Little or no opportunity was given for defense, and shortly after conviction sentence of death was passed. It is the old sad satiric story of the Irish felon before the proverbial select British jury.

It is not denied that he was a citizen of the United States, for was he not duly naturalized and in every respect entitled to as much consideration under the law of 1868, and our treaty with Great Britain and the law of nations, as a native-born citizen? Who dare make the distinction? Ah! had he been an American native born, or even a British subject and convicted in a British or United States court, would he have been subjected to the injustice of such a trial, the perjury of such a cloud of testifying frauds, and to the degradation and incarceration which he has suffered? In such a case would nine gloomy years have passed over his head, silvering his hair daily for the grave, without some honest effort for his release by a patriotic administration? In his case what a Mephistophelian sneer curls upon the lip of Disraeli, as he regards our prayer and imbecility before British power and arrogance.

#### AMERICAN INTEREST IN IRISH PRISONERS.

It is not a new thing for the American Government to take an interest in Irish prisoners. Every generous heart will recognize the fact that Ireland and her destiny cannot be dissociated from her warm-hearted sons in this country. From the time of Cromwell and his attempt to root out the Celtic-Irish with his penalties, down to the present time, millions of Irishmen have had their property confiscated, their families scattered, and their bodies killed to gratify some unreasoning and bigoted vengeance on the part of her Anglo-Saxon enemies and rulers. But her spirit has never been conquered. It is impossible for a true Irishman, unless you rend his heart and paralyze his brain, not to love Ireland.

The people of my district, Mr. Speaker, a large portion of whom are descended of those who emigrated thence, would find me derelict in my duty did I not sympathize with their sympathy. By cable and steamship and by the thousands of letters and messages of affection, by whole clans and counties, they are interweaving the island of Manhattan with the island of Ireland. This sympathy is quicker than the sub-ocean lightning. It is the instinct of son and daughter for mother and father. It has been enlarged, warmed, and fused into a heavenly radiance. Again and again, are the wrongs of Ireland spoken of most significantly in public meetings and at the domestic hearth.

The history of Ireland is not alone the history of her religious faith, but the history of political independence and civil freedom. Before the time of the Tudors, before the time when the King's writ ran beyond the pale about Dublin, down through harsh penal laws and ecclesiastical establishments, foreign to her best emotions about the seen and unseen world, through evictions, land laws, and trade exactions, she has been galled without cowardly wincing, but galled at times into courageous revolt.

#### ENGLISH TYRANNY OVER IRELAND.

The injustice of the English government toward Ireland blackens every page of English history. The refinement of legal dialectics and obsolete statutes have been called into being to crush the Mitchels, Meaghers, O'Briens, Stevens, Mahoneys, Collinses, Rodgerses, McCaffertys, Mullinses, Rossas, Meaney, Burkes, McClures, O'Connors, and the procession of scholars, soldiers, and patriots, who honor the land of Emmett, Grattan, and O'Connell. The ends of the earth have been used, oftentimes, but, thank God, often in vain, to colonize them in penal

servitude. Not merely Mount Joy, Mill Bank, and Chatham prisons, but the far off South Sea lands under British dominion, have been used to break the spirit of Ireland. The scouring of penitentiary flag-stones, the picking of English oakum, and the worse humiliations branded upon Irish gentlemen and scholars in the living graves of English prisons have awakened a sympathy which the Irish heart will never willingly let die. Out of this sympathy, and not out of defiant breaches of international law, have come the petitions which the American Congress has frequently been called upon to consider on behalf of her citizens immured and transported by English power.

#### ACTION OF CONGRESS FOR IRISH PRISONERS.

On the 14th of December, 1869, Mr. Speaker, I offered a resolution in this House relating to the treatment of American citizens then held in prison under English authority, condemning the harsh usage of such prisoners and demanding immediate intervention for their amelioration or release. This was done at the instance of Mr. John Savage, one of Ireland's accomplished sons. On the 2d of February, 1870, the Committee on Foreign Affairs reported back the resolution and asked for information from the State Department. At that time I addressed this House, and begged them to give their moral if not their legislative sanction and emphasis to this most benevolent object. I called to the mind of members the protest of Gladstone against King Bomba in Naples, in 1851, and how he then demanded for the sake of humanity that the English Parliament and all classes of English society should be aroused for long-suffering and imprisoned young Italy. At that time I alleged what has since proven to be true: that political prisoners in England suffered from inadequate clothing and food and inattention of doctors. They were chained to hideous criminals, some foul and idiotic, others beastly and base; they were compelled to wear the clothing of criminals who had suffered from the most loathsome diseases, and, although they were men of delicate physique, were given tasks only fitted for muscular burglars and common convicts. This treatment was pursued for no other reason than that of humiliating the generous spirit of the Irish prisoners. Far worse was this treatment than that against which Gladstone protested in Naples.

This class of prisoners embraced American citizens by birth and adoption. These tortures drove the prisoners to imbecility, insanity, death, and yet we looked on them and their sad fate without the active intervention of our Government. This is another commentary on the Republican platform.

The law of 1868 was then existing. I quoted it then, as now. It was not heeded by the republican party or its organs. It is not heeded now. Some mitigation was made of the condition of these prisoners through the efforts of our minister, Mr. Reverdy Johnson, but as a general rule the Irish-American was left to his fate.

Then, sir, from all parts of the land came protests in favor of Captain O'Connor, Colonel Richard Burke, Colonel W. G. Halpin, O'Connell, McClure, and others, as this session they have come, for the hapless Condon. But all that could be done in their behalf, if indeed anything was done, was the sending of the silent prayer to the God of mercy to relieve from their horrible doom, those brave unfortunates, whose only crime, even as alleged by their enemies, was in loving their sad green isle, not wisely, but too well.

#### THE INDIAN EMPRESS AND IRISH AMNESTY.

When recently Mr. Disraeli, the premier of England, proposed to decorate the brow of Queen Victoria with an imperial crown, in which should sparkle all the jewels of her oriental satrapies, it was said that the occasion of such an enhancement of her realm and such a brilliant accession to her crown would be followed by an amnesty to Irish political prisoners. These hopes turned out to be a delusion if not a snare. The melancholy fact remains that nothing has been done to relieve these patriotic men from their dire condition. What a commentary, therefore, are these facts on the respective resolutions of the two parties upon this centennial year, regarding the protection of American citizens abroad? Fifteen years of republican rule and scarcely a note of patriotic defiance against British dictation.

No case ever attracted such universal sympathy as that of Condon. From every State, petitions and from almost every Legislature, resolutions came expressing desire for action for his release.

#### ACTION IN CONDON'S CASE.

I had the honor on the 9th of March, 1876, to present to this House a resolution based on the law hereinbefore recited. It was not a request for amnesty or clemency. It was a demand, or an inquiry for a demand, for instant release. That resolution reads thus:

*Resolved*, That the Committee on Foreign Affairs be requested to inquire into the case of Edward O'M. Condon, alleged to be a citizen of the United States, who has undergone for nine years penal servitude in an English prison, and what efforts, if any, have been made by the Executive Department to secure his enlargement; and if no successful efforts have been made in that behalf, then that said committee examine and report whether or not the case comes under sections 3900 and 3901 of the Revised Statutes, which provide for the same protection of all naturalized citizens while in foreign countries as native-born citizens, and authorize the President to demand of any foreign government the reasons of such imprisonment and the release of the citizen.

It was sent to the Committee on Foreign Affairs with other resolutions on this subject. It was reported back, with some modifications. It went to the Senate. There it was weakened and emasculated, so as to make it read:

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*, That the President be requested only to intercede with her Majesty, &c.

Finally it passed on the 7th of July. But mark its tame words

Whereas Edward O'M. Condon, a citizen of the United States, is now and has been for some time closely confined in prison under the sentence of a British court; and whereas an earnest and profound desire, evidenced by resolutions of State Legislatures and petitions numerously signed and addressed to Congress, is entertained by a large and respectable portion of the people of the United States that he should be speedily released; Therefore,

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States be, and he is hereby, requested to take such steps, as in his judgment, may tend to obtain the pardon or release of the said Edward O'M. Condon from imprisonment.

Thus Condon is still left to the tender mercies of republican diplomacy!

#### HOME RULE IN IRELAND.

Our sympathies belong to Ireland, for our revolution was hers. Ireland, too, had her revolution; but unsuccessful revolutions are called rebellions; but did she not contend, and does she not, through Isaac Butts, O'Connor Power, and others, to-day contend for the principle of her early day when Grattan thundered and Emmett died? Did she not contend, not alone in her own land, but here, and wherever the sword of Erin flashed, for the banner above all battle-flags: representation, and no taxation without it. Concord, Monmouth, Saratoga, Valley Forge, Yorktown, all testify of deeds done in liberty's name, but deeds done for man's capacity for home-rule. Jefferson taught the truth, which Irishmen loved to champion, that feudalism in form or substance was tyranny; that absenteeism was robbery; that vassalage was cowardice, and independence courage; and that the fire and smoke of war are simple butchery unless beneath there is the pure molten white heat of patriotic devotion. Jealous of power, confiding in the people, and instinct with a love of country, he gave his theory and his conduct to the illustration of that heaven-imaged scroll of stars, moving in harmony about the central sun, the type of our stately cluster about the Union and its splendid ensign.

#### THE DEBT OF AMERICA TO IRELAND.

To Ireland, America is indebted as well for her prosperity in a great degree as for her early settlement. After the English revolution of 1688, when the barbarous Orange policy inaugurated by England drove men from their island home, a tide of emigration set in toward the American colonies. Irish trade and manufactures were destroyed and wars and penal laws drove Irishmen across the ocean. They filled our colonies with their emigrants. At least a million of the three million who inhabited the thirteen colonies at the beginning of the Revolution were Irish by birth or descent. They spread and multiplied in our land from the Potomac to the Ohio, from the Saco to the Juniata. They enlivened the land with their humorous spirit, their cheerful industry, and their alacrious belligerency. When independence came to be our only prospect, the first undaunted rebel was John Sullivan, who with his Celtic band marched upon the fortress of William and Mary, in New Hampshire, and captured it. This was the first blow of the Revolution. In May, 1775, the O'Briens, six in number, fought the first naval battle of the war, and won it. The names of gallant Irishmen shine like stars all through the murk of the Revolution. To recount them is to recount the stories of Monmouth, Saratoga, Bennington, Valley Forge, Stony Point, and Yorktown. Why, one of the charges against the Irish in England was that 16,000 of them fought on the side of America. This was one of the pretexts for refusing redress to the Catholics of Ireland. A steady influx of immigration since has filled our confines with 14,000,000 of Celtic blood. The names of Barry, Montgomery, Jasper, Warren, Clinton, Rutledge, Wayne, and Jackson but feebly portray the gorgeous galaxy of Irish patriots who gave to America their fervor and their fighting, their bravery and their blood.

#### CENTENNIAL HOPES.

In conclusion, Mr. Speaker, while we cannot but notice the growth of bigotry and proscription up to if not in this centennial year; while we cannot refrain from observing not merely an anti-Catholic but an anti-Hebraic and an anti-constitutional spirit of resistance to the religious and political freedom of this land radiating out of the Federal and into the State constitutions; while we know that, openly and in secret, narrow-minded men are banding and have banded together to turn back the tide of progress which has marked our country since our soul-liberty Constitution was born, still may we not look with hope, even if mixed with anxiety, into our future, trusting and believing in the better aspirations of our nature which have found expression in our centennial oratory and poetry, as the splendid confirmation of our Constitution. The key-note of these aspirations may be coldly expressed in the motto which I have prefixed to this speech—that naturalization is empire!

#### ASSIMILATION OF RACES IN AMERICA.

Another thing not less reasonable may be said, that the enormous emigration from Europe has not so tainted our political communities as to call for organized bigotry or retrograde politics; for is it not easily assimilated with our native stock? Is it now a strength and not a peril to the Republic? Are we compelled to stint our welcome to men of all lands? Shall we not still hail them and entreat them to share our liberties and prosperities? Whom have we not welcomed to our soil? The Irishman, the German, the Pole, and the Hungarian, and all the nations of the planet. Here they meet on equal terms. The reflux influence of our welcome is seen most in Ireland, for on the

last Fourth of July was not our centennial celebrated in its capital? Does not our land still represent to the Irishman his ideal of freedom, and does not the voice of Dublin echo that of New York? One of our metropolitan orators, Dr. Storrs, held up the agis of our Republic when he said that our policy could never insult other nations or oppress its citizens, and that some Captain Ingraham would always appear to lay his little sloop of war alongside the offending frigate with shotted guns and peremptory summons. And the gifted Evarts could not but notice the various roots and kindreds of the Old World which had settled and transfused in their cisatlantic home into harmonious fellowship in the sentiments, the interests, the affections which develop and sustain love of country in this land. He found the impulse and attractions which moved the emigrants to come hither to be public, elevated, moral, and religious, and that the search for civil and religious liberty had animated Puritan, Churchman, Presbyterian, Catholic, Quaker, Huguenot, Dutch, Waldenses, German, and Swede, and that these made up our colonial population. He further found that our experience and fortunes since then have done nothing to change but everything to confirm the views which brought them hither.

#### OUR MOSAIC.

Mr. Speaker, it is in this mosaic, made up of all races and nations, in which we find our growth, happiness, and unity. The streams of thought and feeling from the Old World have made us something more than a congeries of British colonies or a unity of selfish States. Our very motto, "From many, one," indicates the cause of our greatness as well as of our growth; it speaks of our varied vitality fused with united patriotism.

Our centennial poet in singing of the centennial day, its stately dawn, the triumphant noon, and the peace of the vespers skies, could not omit from his lofty verse the splendors of that land which welcomed cavalier, Huguenot, and Quaker, and which beckoned the children of the danger-girdled race of Holland to blend their thrift with that native to our soil. The cold processes of our imperial naturalization become eagle flights in the muse of our democratic republican laureate when he sings:

She took what she gave to man:  
Justice, that knew no station,  
Belief as soul decreed,  
Free air for aspiration,  
Free for independent deed!  
She takes, but to give again,  
As the sea returns the rivers in rain,  
And gathers the chosen of her seed  
From the hunted of every crown and creed.  
Her Germany dwells by a gentler Rhine;  
Her Ireland sees the old sunburst shine;  
Her France pursues some dream divine;  
Her Norway keeps his mountain pine;  
Her Italy waits by the western brine;  
And, broad-based under all,  
Is planted England's oaken-hearted mood,  
As rich in fortitude  
As e'er went worldward from the island-wall!  
Fused in her candid light,  
To one strong race all races here unite;  
Tongues melt in hers, hereditary foemen  
Forget their sword and slogan, kith and clan:  
'Twas glory once to be a Roman;  
She makes it glory now to be a man!

But no one struck the harp and evoked richer strains of music at rhetoric than the gifted Irish orator Richard O'Gorman, of New York. His language cannot be paraphrased, it can only be quoted:

From the thirteen parent colonies thirty-eight great States and Territories have been born. At first a broad land of forest and prairie stretched far and wide, needing only the labor of man to render it fruitful. Men came; across the Atlantic, breasting its storms, sped mighty fleets, carrying hither brigades and divisions of the grand army of labor. On they came, in columns mightier than ever king led to battle, in columns millions strong, to conquer a continent, not to havoc and desolation, but to fertility, and wealth, and order, and happiness.

They came from field and forest in the noble German land; from where amid cornfield, and vineyard, and flowers, the lordly Rhine flows proudly toward the sea. From Ireland; from heath-covered hill and grassy valley; from where the giant cliffs stand as sentinels for Europe, meet the first shock of the Atlantic, and hurl back its surges broken and shattered in foam. From France and Switzerland, from Italy and Sweden, from all the winds of heaven, they came; and as their battle-line advanced, the desert fell back subdued, and in its stead sprang up corn and fruit, and the olive and the vine, and gardens that blossomed like the rose.

Of triumphs like these, who can estimate the value? The population of three millions a hundred years ago has risen to forty-five millions to-day. We have great cities, great manufactures, great commerce, great wealth, great luxury and splendor. Seventy-four thousand miles of railway conquer distance, and make all our citizens neighbors to one another. All these things are great and good, and can be turned to good. But they are not all. Whatever fate may befall this Republic, whatever vicissitudes or disasters may be before her, this praise, at least, can never be denied to her. This glory she has won forever, that for one hundred years she has been hospitable and generous; that she gave to the stranger a welcome; opened to him all the treasures of her liberty, gave him free scope for all his ability, a free career and fair play.

And this it is that most endears this Republic to other nations and has made fast friends for her in the homes of the peoples all over the earth. Not her riches, nor her nuggets of gold, nor her mountains of silver, nor her privileges of mechanical skill, great and valuable though these things be. It is this that most of all makes her name beloved and honored: that she has been always broad and liberal in her sympathies; that she has given homes to the homeless, land to the landless; that she has secured for the greatest number of those who have dwelt on her wide domain a larger measure of liberty, and peace, and happiness, and for a greater length of time than has ever been enjoyed by any other people on this earth. For this reason the peoples all over the earth and through all time will call this Republic blessed.



It is not possible, Mr. Speaker, to roll back the shadow on the dial-plate of time. The sun will not stand still at human voice. This immigration from the Old World, with its thousand elevating and assimilating qualities, will go on. No Bancroft treaties ignoring the rights and principles of American citizenship, no indifference of a republican administration to our citizens abroad and in prison, no jealousy or hate of the principles of naturalization and religious liberty, which give our new Atlantis its imperial scepter, its prosperity, population, and glory, can stop that car of progress which it has ever been the privilege and fortune of the American democracy to impel and control. No sectarian bitterness or bigoted hate can turn away the people of this country from the belief in the principles of religious freedom fixed and eternized down in their organic laws.

The election in November will vindicate the large-minded and liberal policy of the democracy. It will inaugurate, as in 1787, for America in the next hundred years, a progress rivaling if not surpassing that of the past century. God grant that this may be the result; and God save the Republic!

#### The Hawaiian Treaty.

### SPEECH OF HON. PHILIP F. THOMAS, OF MARYLAND,

#### IN THE HOUSE OF REPRESENTATIVES,

May 8, 1876.

The House having under consideration the bill (H. R. No. 612) to carry into effect a convention between the United States of America and His Majesty the King of the Hawaiian Islands, signed on the 30th day of January, 1875—

Mr. THOMAS said:

Mr. SPEAKER: I regret that it has not been in my power to concur with the majority of my colleagues of the Committee on Ways and Means in their report recommending to the favorable action of the House the bill now under consideration, designed to give effect to the treaty of reciprocity between the United States and the King of the Hawaiian Islands.

I have bestowed upon the subject all the reflection which its importance demands, and I propose now, in as brief a manner as possible, to state the reasons which have impelled me to dissent from the conclusions to which a majority of the committee have arrived.

Before proceeding to notice the commercial, financial, and political advantages which, in the opinion of the friends of the measure, are likely to accrue to the United States from its adoption, I shall pause to consider a proposition of a very grave character which, in the later stages of this debate, has been confidently asserted and pressed upon the attention of the House with all the apparent earnestness of sincere conviction, and which, if it finds any sanction whatever in the letter or spirit of the Federal Constitution, ought at once abruptly to terminate all further discussion upon the merits of the treaty before us.

That proposition imputes to the President and Senate, in the exercise of the treaty-making function with which the Constitution has invested them, absolute omnipotence over every other Department of the Government, and renders them, in that relation, the absorbents of many of the powers conferred by that instrument exclusively and alone on the Federal Congress.

It asserts that a treaty, when made by the President with the concurrence of two-thirds of the Senators present, and duly ratified and proclaimed, becomes, *eo instanti*, the supreme law of the land; supreme alike over the several States of the Union and over each and all of the co-ordinate Departments of the Government; that, as between the parties to the compact, it operates *proprio vigore*, a repeal of existing laws in conflict with or repugnant to its stipulations; that, so far as the contracting powers are concerned, it requires no legislative aid to impart vitality to its provisions; that the sole object of congressional legislation in aid of a treaty is to confer authority upon the domestic officers charged with the execution of the laws with which it conflicts, to give effect to its provisions, and that, when Congress engages in such legislation, it does so under a moral obligation which divests it of all legislative discretion and admits of no escape from the performance of an imperative and paramount constitutional duty. Such, Mr. Speaker, is the proposition, subversive, as in my opinion it is, alike of our Federal system and of public liberty, that the gentleman from Massachusetts [Mr. BANKS] has asserted and, in an elaborate and studied argument, endeavored to maintain as sanctioned by the Federal Constitution and by the practice of the Government during more than eighty years of its existence.

To prevent all misunderstanding, I will quote the proposition of the gentleman as he himself has stated it. He says:

This is my proposition: A treaty made by the President with the concurrence of two-thirds of the Senators present, under the authority of the Constitution, is the supreme law of the land, as obligatory upon Congress as it is upon the people.

And again:

In my opinion, when a treaty has been made under the authority of the Constitution, the legislative authority is bound to execute it. It is a moral obligation.

The treaty between the United States and the King of the Hawaiian Islands, to which the bill under consideration is intended to give effect, professes to be one of commercial reciprocity.

In consideration of rights and privileges therein conceded, the United States, as an equivalent therefor, agrees to admit certain enumerated articles, being the growth, manufacture, or produce of the Hawaiian Islands, into all their ports free of duty. The same articles which the treaty exempts from the payment of duties are, under existing laws, without exception, subject to duty when imported from foreign countries, and its provisions are therefore in direct conflict with existing revenue laws of the United States.

Under these circumstances, it is claimed that the treaty operates a repeal of those laws, or, what is the same thing, that the House of Representatives, in which alone revenue laws can originate, is morally and constitutionally bound, without the exercise of the discretion that pertains to all legislation, to repeal or so to modify them as to give full effect to the treaty, whether its provisions be wise or unwise, advantageous or injurious to the public interests.

On this question I take issue with the gentleman from Massachusetts, [Mr. BANKS,] and shall endeavor to demonstrate that this monstrous and dangerous construction of the treaty-making power, though in the earlier history of the Government, on more than one occasion, advocated by public men of the federal party, is wholly unsanctioned by the Constitution, and has never, at any time, met with the approval of the House of Representatives. It rests for its support on two provisions of the Federal Constitution: first, that which confers on the President power to make treaties, provided two-thirds of the Senators present concur, and, secondly, that which declares all treaties made under the authority of the United States to be the supreme law of the land.

The language of article 2, section 2, of the Constitution, defining the powers of the President, is:

He shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur.

And it will be, in candor, conceded that this grant of power is, in its terms, unlimited and undefined, and seems to embrace all manner of treaties which the policy or interests of the United States might dictate in their intercourse with other nations.

In so far as the subject-matter of treaties is involved, it may, indeed, be admitted that the treaty-making power, in a constitutional sense, extends to and embraces all subjects of international compact not forbidden by the Constitution or destructive of the Government itself.

The Government of the United States is, however, one confessedly of limited powers, derived from a written Constitution, and distributed among three great departments—legislative, executive, and judicial—each, within its legitimate sphere, independent of the other and entitled to the exclusive exercise of the several powers delegated to it.

The legislative powers confided to Congress and the judicial powers conferred upon the courts, are as exclusively vested in each, as is the treaty-making power delegated to the President subject to the approval of the Senate; and in the event of a conflict of authority between either of these departments, such a construction must be given to the fundamental law as will secure to each the undisturbed possession of the several powers intrusted to it.

This sound rule of constitutional construction is clearly and forcibly stated by Justice Story in his Commentaries on the Constitution, and its application, in the present instance, will furnish a perfect solution of the question now under discussion. He says:

A power given by the Constitution cannot be construed to authorize a destruction of other powers given in the same instrument. It must be construed, therefore, in subordination to it, and cannot supersede or interfere with any other of its fundamental provisions. Each is equally obligatory and of paramount authority within its scope, and no one embraces the right to annihilate any other.

Under this rule of construction the general and undefined power of making treaties granted by the Constitution, is limited by positive constitutional prohibitions, or restrained by grants of power to other departments, while at the same time the scope of the treaty-making power may remain undiminished. Thus, by the seventh paragraph of section 9 of article 1 of the Constitution it is provided that—

No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

And by article 1, section 1, it is declared that—

All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

The treaty-making power is an executive function, and is reposed in the hands of the President. The legislative authority is vested solely in Congress, and under the clause which prohibits the drawing of money from the Treasury except in consequence of an appropriation made by law, no money can be appropriated by any other authority than by that of an act of Congress. The prohibition, therefore, operates as a limitation upon the undefined power to make treaties, and controls, although it does not diminish it in its full constitutional extent.

The rule of construction laid down by Story leaves the treaty and law making departments of the Government in the full and harmonious possession of their respective constitutional powers, while the opposite doctrine, as contended for by the gentleman from Massachusetts, [Mr. BANKS,] strips the House of Representatives, in which alone bills for

the appropriation of money can originate, of all participation in the appropriation of money under treaty stipulations, ignores its great conservative, constitutional function of originating money bills, and enables the President and Senate, two of the three law-making branches of the Government, under the guise of a treaty containing stipulations for the payment of money in the form of a subsidy or otherwise, and by the substitution of a foreign government in the place and stead of the House of Representatives, to appropriate the public treasure received from taxation of the people without limit in its purpose or amount.

Again, the general and undefined power of making treaties is, under the same rule of construction, checked and restrained by affirmative grants of power to other departments of the Government. Thus, in addition to the exclusive grant of legislative power, Congress is also empowered by article 8 of the Constitution to lay and collect taxes, duties, imposts, and excises; to borrow money; to regulate commerce with foreign nations; to declare war; to raise and support armies, on condition that no appropriation of money shall be for a longer period than two years; and to provide and maintain a navy. That it is within the scope of the general treaty-making power to negotiate conventions with foreign nations, whereby commercial advantages not possessed by others may be conceded to them, is beyond all question. It is equally undeniable that treaties of alliance may be constitutionally made containing stipulations for subsidies in men and money; but if such treaties become to be the supreme law of the land and are obligatory upon the Government from the period of the exchange of ratifications, if no legislative aid is required to impart vitality to their provisions, or if Congress is deprived of all legislative discretion, and morally and constitutionally bound to enact laws to give them effect, then it inevitably follows that the President and Senate, with the co-operation of any foreign government, under the form of a treaty may lay and collect taxes, duties, imposts, and excises, regulate commerce, declare war and appropriate money to prosecute it for a longer term than two years, and provide and maintain a navy, and in short, usurp and consolidate in their own hands every power which the Constitution, for the maintenance of the rights of the States, for the protection of the people against oppression, and for the security and perpetuity of public liberty, has confided exclusively to Congress.

From the view I have thus taken I think it clear, Mr. Speaker, that the general and undefined authority to make treaties delegated by the constitutional provision to which I have referred, to the President, with the concurrence of two-thirds of the Senators present, is, under the rule of constitutional construction laid down by Justice Story, so limited by express constitutional prohibitions and checked by grants of exclusive powers of legislation to Congress, that a treaty which provides for the payment of money, or for the abrogation or modification of existing laws regulating commerce, or for subsidies of any sort in men or money, or is in any other manner in conflict with the powers granted to the legislative department, is not effective or obligatory upon the Government until it receives the sanction of Congress; a sanction which Congress has a right to withhold if the stipulations of the treaty are believed to be injurious to the public interests.

Nor, Mr. Speaker, does the doctrine contended for by the gentleman from Massachusetts [Mr. BANKS] find support or sanction in that other provision of the Federal Constitution which, as he says, declares a treaty to be the supreme law of the land, and which he deems to be entirely conclusive of the view which he has taken of the power in question. It is not the first time that that provision of the Constitution has been cited in support of the unlimited extent of the treaty-making power which, in this debate, has been claimed for it.

A recurrence to the language of that provision, and to the causes which led to its adoption, will serve to dispel all doubt as to the meaning of its framers and the extent of the power it was intended to confer; and it will be found that those who insist that it confers unlimited power have given to the article itself a too hasty and superficial perusal.

The Constitution does not declare that treaties alone shall be the supreme law of the land. The provision is found in the second paragraph of the sixth article of the Constitution, and is as follows:

This Constitution, and the laws of the United States which shall be made in pursuance thereof, and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby, anything in the constitution or laws of any State to the contrary notwithstanding.

Surely, no one gifted with the most ordinary intelligence, will, after a critical reading of this clause, ascribe to it a meaning which would confer upon a treaty supremacy over both the Constitution and laws made pursuant thereto. Three things in the order in which they are named are declared to be supreme: First, the Constitution, because it is the fundamental law controlling all other laws; secondly, the laws of the United States made pursuant thereto, emanating under the Constitution from the law-making power; and thirdly and lastly, treaties, not from the period of the exchange of ratifications, but when made "under the authority of the United States," that is, if in conflict with legislative powers granted to Congress, from the time when the assent of Congress is given thereto. Over what, then, are these three things made supreme? Certainly not a treaty over either

the Constitution or laws, for it is clearly subordinate to both; but the Constitution and laws made pursuant to it and treaties made under the authority of the United States are to be supreme over the Constitution and laws of the several States. Without such a declaration every one knows that the Constitution and laws enacted pursuant thereto, and treaties made under the authority of the United States, would be the supreme law of the land over the people of the United States; and in the absence of a substantial reason for such an express declaration, the wise men who were the architects of our system of government would be justly liable to the imputation of extreme folly. There was a reason for the declaration, and that reason shows over what the Constitution, laws, and treaties were intended to be supreme. The General Government sprang out of and superseded the government of the confederacy, which was a mere league or compact between the States, under which most of these sovereign powers were retained. Under the new form of government, many of these powers were by the Constitution delegated to the Federal Government, and it was, therefore, proper and necessary to declare not only that the Constitution, but the laws enacted pursuant thereto and treaties made under the authority of the United States, should be the supreme law of the land; not treaties supreme over laws or laws over treaties, but that, subordinate to the Constitution, both should be supreme over the constitutions and laws of the States; and hence the latter clause of the provision was inserted declaring that "the judges in every State shall be bound thereby, anything in the constitution or laws of any State to the contrary notwithstanding;" and thus a positive and necessary provision was made declaring, in case of a conflict between the Federal and State governments, which authority should be supreme.

The gentleman from Massachusetts [Mr. BANKS] has insisted that a treaty ratified by the Senate and proclaimed by the President becomes from that moment the supreme law of the land, to which every department of the Government must yield absolute and implicit obedience. The Constitution contains no such provision; but it does provide that a treaty made "under the authority of the United States," that is, in subordination to the Constitution and laws of the United States, shall be supreme over the several States of the Union as well as over the people of the United States.

The true and sound construction of the extent of the treaty-making power as conferred by the Constitution is, that it embraces within its scope all subjects of compact between nations not forbidden by the Constitution; but, to use the language of Mr. Gallatin in the debate in the House in 1796 on the British treaty, commonly known as Jay's treaty:

If a treaty embraces objects within the sphere of the general powers delegated to the Federal Government, but which have been exclusively and specially granted to a particular branch of government, say to the legislative department, such a treaty, though not unconstitutional, does not become the law of the land until it has obtained the sanction of that branch.

And this view of the extent of the treaty-making power was, in the same debate, fully sustained by Mr. Madison. The report of his remarks is as follows:

He came next to the fifth construction, which left with the President and Senate the power of making treaties, but required at the same time the legislative sanction and co-operation in those cases where the Constitution had given express and specific power to the Legislature. It was to be presumed that in all such cases the Legislature would exercise its authority with discretion, allowing due weight to the reasons which led to the treaty and to the circumstances of the existence of the treaty. Still, however, this House in its legislative capacity must exercise its reason; it must deliberate, for deliberation is implied in legislation. If it must carry all treaties into effect, it would no longer exercise a legislative power; it would be the mere instrument of the will of another department and would have no will of its own. Where the Constitution contains a specific and presumptive injunction on Congress to do a particular act, Congress must of course do the act because the Constitution, which is paramount over all the departments, has expressly taken away the legislative discretion of Congress. The case is essentially different where the act of one department of government interferes with a power expressly vested in another, and nowhere expressly taken away. Here the latter power must be exercised according to its nature, and, if it be a legislative power, it must be exercised with that deliberation and discretion which are essential to the nature of legislative power.

Such are the opinions on this grave subject of two of the most eminent men of the country, the last of whom participated more largely in the formation of the Constitution than any other member of the convention by which it was framed, uttered on the floor of the House within a few years after the Government went into operation, and it will be seen that they are far from sustaining the opinion which the gentleman from Massachusetts has expressed as to the unlimited power of the President and Senate to make treaties. The opinions of Mr. Gallatin and Mr. Madison were embodied in a resolution which was concurred in by a majority of the members of the House of Representatives of the Fourth Congress, passed in March, 1796. The commercial treaty with Great Britain, negotiated in 1794 by Mr. Jay, contained stipulations which were repugnant to our revenue laws, and it was laid before Congress by President Washington, in order that the laws of the United States might be modified in conformity to it. The House of Representatives, holding that it was within its discretion to pass or reject a bill to give effect to the treaty, by resolution requested the President to lay before it a copy of the instructions to the minister who negotiated the treaty, together with the correspondence and other documents relative to it. The information asked for was refused by President Washington, upon the ground maintained by the gentleman from Massachusetts, [Mr. BANKS,] "that the power of making treaties is exclusively vested in the President,



by and with the advice and consent of the Senate, provided two-thirds of the Senators present concur; and that every treaty so made and promulgated thenceforward becomes the supreme law of the land." In response to the President's message, the House, by a vote of 57 yeas to 35 nays, passed the following resolution, which fully vindicates the rule of constitutional construction for which I am contending:

*Resolved*, That, it being declared by the second section of the second article of that Constitution, the President shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur, the House of Representatives do not claim any agency in making treaties; but that where a treaty stipulates regulations on any of the subjects submitted by the Constitution to the power of Congress, it must depend for its execution as to such stipulations on a law or laws to be passed by Congress. And it is the constitutional right and duty of the House of Representatives in all such cases to deliberate on the expediency or inexpediency of carrying such treaty into effect and to determine and act thereon as in their judgment may be most conducive to the public good.

Every one who is at all familiar with the history of the country knows that the commercial treaty negotiated by Mr. Jay in 1794 with the King of Great Britain, known as the British treaty, was received by the people of this country with an amount of indignation which no treaty before or since that time has encountered, and such was the odium that attached to it that its negotiator was publicly burned in effigy within sight of his own home. When the treaty was submitted to the House of Representatives, to the end that it might originate and pass a law to give effect to such of its provisions as were deemed to require legislation, the House, by the resolution to which I have referred, called upon the President for such information as would enable it to consider the treaty upon its merits and, after a free and full exercise of its discretion, determine whether it was or was not entitled to legislative sanction, without which many of its provisions could have no effect. The President, as already stated, refused to communicate the desired information, for the reason that the treaty was the supreme law of the land, and that, therefore, Congress could exercise no discretion in the enactment of a law to give it effect, but was constitutionally bound, without discretion, to pass the required law.

Did the House of Representatives accept the opinion of the President as to its rights and duties in this grave emergency? The resolution had been passed after a debate which lasted, daily, for more than a month, involving the identical question now under consideration of the nature and extent of the treaty-making power, the federalists of the House taking the views of the President—General Washington—the democrats, or as they were then called, republicans, among whom were Madison and Gallatin and very many other distinguished statesmen of that day, advocating the opposite doctrine, and passing by a large majority, as a response to the President's refusal to furnish information, the resolution which I have quoted, disavowing all claim by the House to any agency in making treaties, but insisting that when a treaty contains stipulations, on any subject submitted by the Constitution to the power of Congress, it must depend for its execution as to such stipulations on a law or laws to be passed by Congress; and that, in all such cases, it was the constitutional right and duty of the House of Representatives to deliberate on the expediency or inexpediency of carrying such treaty into effect, and to determine and act thereon as in their judgment might be most conducive to the public good.

Nor did the House in its action stop at this point. It proceeded to deliberate on the expediency or inexpediency of carrying the treaty into effect; and after a further debate, which was protracted through another month, in which the merits of the treaty were fully discussed, it passed a resolution, by a close vote of 51 yeas to 48 nays, declaring it expedient to carry the treaty into effect. An analysis of the vote, to be found in the Annals of Congress, Fourth Congress, first session, 1795-'96, shows that the House exercised the discretion claimed for it in giving effect to the treaty. I quote from it as follows:

#### RECAPITULATION.

For declaring the treaty highly objectionable .....	48
Against this declaration .....	48
The Speaker decided in the negative.	
For declaring the treaty objectionable .....	49
Against the declaration; some because they did not consider it objectionable; others because they feared making the declaration would be injurious; and others because so opposed to the treaty as to object to compromise .....	49
The Speaker decided in the negative.	
For carrying into effect the treaty; some because a good one; others because best to execute it under existing circumstances .....	51
Against carrying it into effect, because bad in itself, and notwithstanding existing circumstances .....	48
Majority .....	3

It is useless to comment further upon the resolution of the House or its practical action thereon. Both show the opinion of the democratic statesmen of that day as to the nature and extent of the treaty-making power under the Constitution, and vindicate the constitutional construction for which I contend, against that entertained and advocated by the gentleman from Massachusetts, [Mr. BANKS.]

But the gentleman from Massachusetts has asserted that—

Although the discussion of the question involved has been since often renewed, the views of Washington as to the right of the House to call for information have never been re-asserted.

He further says:

It is conceded that the House has the right to inquire, if a treaty is made under the authority of the Constitution, whether or not it calls for legislation to execute

its provisions. No treaty can be made which changes in any form the nature of the Government or annuls any of its provisions. We have therefore a right to call for any information that relates to it, in order that we may correctly understand its purpose and its results. But if it be within the purposes and made in pursuance of the Constitution, we are morally bound to execute it.

If the gentleman means, as he necessarily does, that the right of the House to call for information and to exercise discretion in matters of legislation to give effect to treaty stipulations, irrespective of its constitutionality, as asserted in the resolution of 1796, has never been re-asserted and re-affirmed, then I take issue with him on that point, and shall proceed to show that he is wholly mistaken. The treaty and conventions of 1803, for the acquisition of Louisiana, were negotiated under the administration of Mr. Jefferson, and provided, among other things, for the payment to France of a large sum of money. In his annual message of that year, Mr. Jefferson, referring to them and to their stipulations, said:

When these shall have received the constitutional sanction of the Senate, they will without delay be communicated to the Representatives for the exercise of their functions as to those conditions which are within the powers vested by the Constitution in Congress.

Upon the exchange of ratifications, President Jefferson, in a message to the Senate and House, communicated the treaty and conventions in the following language:

These, with the advice and consent of the Senate, having now been ratified, and my ratification exchanged for that of the First Consul of France in due form, they are communicated to you for consideration in your legislative capacity. You will observe that some important conditions cannot be carried into execution but with the aid of legislation, and that time presses a decision on them without delay.

The gentleman from Massachusetts [Mr. BANKS] has referred to Mr. Jefferson as authority for the extraordinary opinions he holds in reference to the unlimited extent of the treaty-making power under the Federal Constitution. Had Mr. Jefferson been in accord with him when the messages to which I have referred were prepared, would he have written as he did in the first, that the treaties when sanctioned by the Senate "would be communicated to the Representatives for the exercise of their functions as to those conditions which are within the powers vested by the Constitution in Congress;" and, in the second, they are communicated to you "for consideration in your legislative capacity;" they contain "some important conditions which cannot be carried into execution but with the aid of the Legislature?" Or would he not rather have told Congress, and particularly the House of Representatives, that the "treaty and conventions are communicated in order that you may, without delay, and without the exercise of your usual discretion, proceed to enact laws to give them effect, as it is your moral and constitutional obligation to do?" If he coincided in opinion with the gentleman from Massachusetts on this subject, surely he would so have expressed himself in his messages.

And what did the House do upon the receipt of the President's message? President Jefferson had transmitted with his message every paper and all the information connected with the negotiation deemed necessary to enable Congress to judge and decide whether or not the treaties should be carried into effect. Mr. Griswold, of Connecticut, a federalist and a distinguished member of the House, moved a resolution, which was afterward modified to read as follows:

*Resolved*, That the President of the United States be requested to cause to be laid before the House a copy of the treaty between the French republic and Spain of the 1st of October, 1800, together with a copy of any instrument in possession of the Executive showing that the Spanish government has ordered the province of Louisiana to be delivered to the commissary or other agent of the French government.

The treaty, a copy of which was asked for, was concluded at St. Ildefonso, the 1st of October, 1800, by which Spain ceded to France the province of Louisiana, which in 1803 was ceded by France to the United States. The resolution, introduced by a federalist and supported by the federal party of the House, the same party that in 1796, with President Washington, denied the right of the House to call for information to enable it to judge whether or not effect should be given to the "British treaty," sought no information at all necessary for the solution of any question involving the constitutionality of the treaty and conventions. The constitutionality of a treaty, as of a law, can be determined only by an inspection of the instrument itself and a comparison of its contents with the provisions of the Constitution. The language of the resolution shows plainly its purpose and object. In the minds of the mover of the resolution and of those who supported it, doubts existed as to the title of France to the province of Louisiana. To solve these doubts and to obtain satisfactory evidence of a good title in France to the ceded territory, and thereby to enable the House to determine whether or not the treaty and conventions should be made effective by legislation, the resolution called for a copy of the treaty of cession and also of any instrument showing that the possession had passed to France.

That the resolution had reference purely to the title to the territory to be acquired, and not to the constitutionality of its acquisition, is manifest from the remarks of Mr. Griswold himself in support of its passage. Referring to the message of the President respecting the treaty and conventions concluded between the United States and the French government, he said:

He recommends to the immediate attention of Congress the passage of some temporary laws. This being the case, and the subject being about to be brought before the House, it became important that they should know distinctly what they had obtained by the treaty, and whether there were any territory belonging to the United States to take possession of, or any new subjects to govern. Inasmuch as if no new territory or subjects were acquired, it was perfectly idle to pass even

temporary laws for the occupation of the one or the government of the other. He believed it would be admitted that by the express terms of the treaty the United States had neither acquired new territory nor new subjects.

The resolution was lost by a vote of 57 yeas to 59 nays, the democrats opposing it for the reason that the information asked for was wholly unnecessary to enable the House to act; but in the debate members of the majority re-asserted the principle established by the resolution of 1796 in regard to the British treaty, and recognized it as finally settled.

Among others, Mr. John Randolph, of Virginia, said:

There had been negotiated a convention between us and the French republic, stating in the most unequivocal terms that there does exist on her part a right to the country in question, which is supported by the strongest possible evidence, and pledging herself to put us in possession of that right so soon as we shall have performed those stipulations on our part in consideration of which France has conveyed to us her sovereignty over the country and people. From the nature of our Government, those stipulations can only be fulfilled by laws to the passing of which the Legislature alone is competent. And when these laws are about to be passed, endeavors are made to impede or frustrate the measure by setting on foot inquiries which mean nothing or are not connected with the subject, and this is done by those who have always contended that there was no discretion vested in this House by the Constitution as to carrying treaties into effect.

Mr. R. begged the House not to impute to him any disposition to countenance this monstrous doctrine, whose advocates now found it so difficult to practice; on the contrary, he held in the highest veneration the principle established in the case of the British treaty and the men by whom it was established: that in all matters requiring legislative aid it was the right and duty of this House to deliberate, and upon such deliberation to afford or refuse that aid, as in their judgments the public good might require. And he held it to be equally the right of the House to demand such information from the Executive as to them appeared necessary to enable them to form a sound conclusion on subjects submitted by that department to their consideration.

And Mr. Nicholson, of Maryland, in the same debate, remarked, that he "was extremely glad to find that gentlemen on her part a right to the country in question (the federal side) had at length abandoned the ground which they had taken some years ago. He was rejoiced that they were now willing to acknowledge, what they had heretofore strenuously denied, that the House of Representatives had a constitutional right, not only to call for papers, but to use their discretion in carrying any treaty into effect."

After a lengthy debate, in which the principle established in the case of the British treaty was re-asserted and re-affirmed, the House proceeded to enact laws to give effect to the Louisiana treaty and conventions which were afterward passed by the Senate. From the history of the debates and proceedings of the House of Representatives, as I have given them, in the cases of both the British and Louisiana treaties, it is manifest that the extraordinary doctrine contended for by the gentleman from Massachusetts, [Mr. Banks,] that a call on the Executive for information can only be made where the constitutionality of a treaty is involved, but if the treaty be "within the purposes and made in pursuance of the Constitution we are morally bound to execute it," has no sanction whatever either in the practice of the House or in the opinions of a majority of its members from the beginning of the Government down to its action upon the Louisiana treaty of 1803.

Descending in the progress of time to a later period, with a view to test the soundness of the doctrine of the gentleman from Massachusetts, [Mr. Banks,] as to the nature and extent of the treaty-making power and the moral and constitutional obligation on Congress to provide for the execution of treaty stipulations where legislative aid is necessary, I beg to call the attention of the House to the action of Congress upon the commercial treaty between the United States and Great Britain of the 3d of July, 1815. Ratifications of the treaty were exchanged on the 2d of December, 1815, and on the succeeding day it was communicated to both Houses of Congress by President Madison, recommending "such legislative provisions as the convention may call for on the part of the United States."

By existing laws of the United States, a higher rate of tonnage and impost duties was imposed upon British vessels, and merchandise imported in them, than on vessels and merchandise imported in vessels of the United States. The treaty, among other things, provided for the abrogation and equalization of these duties and imposts.

The Senate, consisting of a majority of federalists, originated and passed a bill declaring that all laws in conflict with this treaty should be held as null and void, upon the principle, as stated by Mr. James Barbour, of Virginia, a distinguished member of that body, "that the treaty, upon the exchange of its ratification, did, of itself, repeal any commercial regulation incompatible with its provisions existing in our municipal code."

The House of Representatives, composed of a majority of democrats, re-asserting the principle of the resolution of 1796 in the case of the British treaty of 1795, as to its rights and duties in the matter of treaty stipulations in conflict with its constitutional powers of legislation, without considering the Senate bill, passed a bill of its own to give effect to the treaty, which was subsequently rejected by a party vote of the Senate of 10 yeas to 21 nays.

Thereafter, the Senate bill was taken up in the House and amended by substituting for it the bill of the House, in which amendment the Senate refused to concur, and a committee of conference was appointed by each body.

The report of the House committee of conference shows most clearly the views, upon this most interesting and important question, of both branches of Congress, and the result of the conference fully sustains the principle for which I am contending.

The report was made by Mr. John Forsyth, of Georgia, one of the most distinguished of the public men and leading democrats of that day. I quote from it as follows:

Without entering upon an extensive inquiry in relation to the treaty-making power, the committee will venture to define, as accurately as they can, the real line which at present divides the contending parties. \* \* \* They are persuaded that the House of Representatives does not assert the pretension that no treaty can be made without their assent; nor do they contend that in all cases legislative aid is indispensably necessary either to give validity to a treaty or to carry it into execution. \* \* \* On the other hand, the committee are not less satisfied that it is by no means the intention of the Senate to assert the treaty-making power to be in all cases independent of the legislative authority. So far from it, that they are believed to acknowledge the necessity of legislative enactment to carry into execution all treaties which contain stipulations requiring, or which might bind the nation to lay taxes, to raise armies, to support navies, to grant subsidies, to create States, or to cede territory; if, indeed, this power exists in the Government at all.

The conference ended in the passage of a law to give effect to the treaty in the following words:

That so much of an act as imposes a higher duty of tonnage, or of imposts on vessels and articles imported in vessels of Great Britain, than on vessels and articles imported in vessels of the United States, contrary to the provisions of the convention between the United States and his Britannic Majesty, the ratifications whereof were mutually exchanged the 23d day of December, 1815, be, from and after the date of the ratification of the said convention, and during the continuance thereof, deemed and taken to be of no force or effect.

The speeches of democratic members of the House in the progress of the debate upon the treaty, reflect clearly the sentiment of the party as to the extent of the treaty-making power as then advocated by the federalists, and now by the gentleman from Massachusetts.

Among others, Mr. Forsyth remarked that—

In the long, animated, and lucid discussion of the treaty-making power in the year 1796, it was contended by the federal minority, first, that a treaty once ratified was binding on the nation, and that Congress was as much bound to pass the laws necessary to carry such treaty into effect as the President and courts were to execute its provisions; secondly, that if there was any discretion in Congress, it was limited to the special act required of them, to the propriety of making appropriations, of regulating duties, &c., and that they had no right to take into consideration, as a motive of dissent, other parts of the treaty which avowedly required no legislative sanction. The determination of the representatives of the people at that period—I mean the republican majority—was still more clearly contradictory to this new doctrine.

Sir, what an extraordinary spectacle our Government would exhibit to the world if these positions are true. To-day the President and Senate without our assistance can do nothing affecting the happiness or security of this people. In a matter highly interesting and important, deeply affecting the national interest, the national honor, the President and Senate, in their legislative capacity, are desirous a particular system should be adopted; this House refuses its concurrence, the system necessarily falls. To-morrow a constitutional juggle is played off, and the system is fixed eternally upon us.

A foreign government or Indian tribe makes a contract or treaty (the terms are convertible) with the President; he sends it by his Secretary to the Senate; the doors are closed; the Eleusinian mysteries are celebrated; and after the required sacrifices in the temple of secrecy, the contract is ushered into the world. To borrow the metaphorical language of the gentleman from Maryland, it starts into life the supreme law of the land; either establishing a new system obnoxious to and rejected by the representatives of the people, or overturning all the systems heretofore established with their concurrence. The Constitution of the United States, so much the object of our admiration and the praise of other nations, does not deserve the eulogiums bestowed upon it if such practices are consistent with its principles.

Another democratic member, Mr. Jackson, in an equally pointed manner remarked:

I say, sir, that the doctrines advocated do annihilate the legislative powers of Congress, and convert us into a mere registering body.

And again he said:

I admit we cannot have a treaty unless it is through the executive agency. What I contend for is that when the treaty embraces a subject requiring legislation, either by a promise to pay money or that a law shall cease to operate, in all cases Congress must act to render the treaty effectual; that to repeal a law is as much an act of legislation as to pass a law appropriating money or for raising taxes, &c.; and that you cannot legislate by treaty, because it is declared by the Constitution that all legislative powers therein granted shall be vested in Congress.

Such, Mr. Speaker, were the sentiments of the democratic party of this House in the Fourteenth Congress, and such were the arguments and illustrations of the evils resulting from the federal doctrine of the absolute omnipotence of the President and Senate in the exercise of the treaty-making power, which induced the Senate to recede from its bill declaring that the treaty of 1815 repealed and abrogated the revenue laws with which it conflicted, and to unite with the House in the passage of the law I have quoted in aid of the treaty.

Thus far, then, Mr. Speaker, it is apparent that the principle of the resolution of 1796 has been re-asserted and re-affirmed by the House of Representatives in the cases of the Louisiana treaty of 1803 and the British treaty of 1815, the only instances in which the subject had been submitted to its consideration; and it is equally apparent that the opposite doctrine, which, after a sleep which it was supposed knew no waking, has in this debate been revived by the gentleman from Massachusetts, derives no countenance whatever either from the practice of this House or from the principle on which such practice rested.

One more instance, Mr. Speaker, occurring at a much later period in the history of this Government, remains to be cited, from which it will appear not only that a limitation was put upon the treaty-making power far beyond that contained in the resolution of 1796, in the instance of the British treaty, but that, by necessary consequence, the principle announced in that resolution was fully vindicated and sustained. In 1844, under the administration of President Tyler, a commercial treaty was negotiated between the United States and Prussia and the other states of the Germanic Association of Customs



and Commerce, by which, in exchange for concessions on our part, in relation to certain articles of export, the product of the skill and industry of those countries, reductions were to be made in duties on tobacco and other agricultural productions of the United States. This treaty was communicated to the Senate by President Tyler for its advice and consent, with the remark that—

Inasmuch as the provisions of the treaty come, to some extent, in conflict with existing laws, it is my intention, should it receive your approval and ratification, to communicate a copy of it to the House of Representatives, in order that that House may take such action upon it as it may deem necessary to give efficacy to its provisions.

The treaty was referred by the Senate to the Committee on Foreign Relations of that body, by which it was reported to the Senate and re-committed to the same committee. Subsequently that committee, through Mr. Choate, of Massachusetts, reported that the Senate ought not to advise and consent to the ratification of the treaty. The report proceeds to state the reasons for this recommendation, as follows:

In submitting this report the committee do not think it necessary to say anything on the general object sought to be accomplished by the convention, or on the details of the actual arrangement; nor to attempt to determine, by the weight and measure of the reciprocal concessions, which Government, if either, has the best of the transaction.

Those subjects have not escaped their notice; but they propose to confine themselves to a very brief exhibition of another and single ground upon which, without reference to the particular merits of the treaty, they advise against its ratification.

The committee, then, are not prepared to sanction so large an innovation upon ancient and uniform practice in respect of the department of Government by which duties on imports shall be imposed. The convention which has been submitted to the Senate changes duties which have been laid by law. It changes them either *ex directo* and by its own vigor, or it engages the faith of the nation and the faith of the Legislature, through which the nation acts, to make the change. In either aspect, it is the President and Senate who, by the instrumentality of negotiation, repeal or materially vary regulations of commerce and laws of revenue which Congress has ordained. More than this, the executive department, by the same instrumentality of negotiation, places it beyond the power of Congress to exceed the stipulated maximum of import duties for at least three years, whatever exigency may intervene to require it.

In the judgment of the committee the Legislature is the department of Government by which commerce should be regulated and laws of revenue be passed. The Constitution in terms communicates the power to regulate commerce and to impose duties to that department. It communicates it, in terms, to no other. Without engaging at all in an examination of the extent, limits, and objects of the power to make treaties, the committee believe that the general rule of our system is, indisputably, that the control of trade and the function of taxing belong, without abridgment or participation, to Congress. They infer this from the language of the Constitution, from the nature and principles of our Government, from the theory of republican liberty itself, from the unvaried practice, evidencing the universal belief of all, in all periods, and of all parties and opinions. If Congress thinks the proposed arrangement a beneficial one it is quite easy to pass a law which shall impose the rates of duties contemplated by it, to take effect when satisfactory information is conveyed to the President that the stipulated equivalents are properly secured. Upon this single ground, then, the committee advise that the treaty be rejected.

And the treaty was rejected "upon this single ground," and a motion to lay it on the table prevailed by a vote of 26 yeas to 18 nays.

Could there, by any possibility, have been presented a more lucid, able, and unanswerable vindication of the absolute, unqualified, and exclusive constitutional power of Congress to legislate in all matters of commerce and taxation; or a more palpable negation of the illimitable authority of the President and Senate to make treaties in any respect repugnant to or in conflict with the powers delegated to the law-making department of the Government, to become the supreme law of the land from the period of the exchange of ratifications, without the consent of such department previously or subsequently obtained?

If, Mr. Speaker, further evidence were necessary to maintain the principle of the resolution of 1796, that, when a treaty stipulates regulations on any of the subjects submitted by the Constitution to the power of Congress, it must depend for its execution, as to such stipulations, on a law or laws to be passed by Congress, such evidence is furnished by the last paragraph of section 8 of article I of the Constitution, which contains an enumeration of the powers delegated to Congress, and confers on it the power "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by the Constitution in the Government of the United States or in any department or officer thereof."

Doubtless, this very instance of treaty stipulations within the scope of the constitutional power of the President and Senate, but encroaching upon the legislative power of Congress, was in the minds of the members of the convention who framed the Constitution, and they saw that a treaty under such circumstances could not be effective without legislative aid; and hence the power was given to Congress to make all laws necessary for carrying into execution, among others, the treaty-making power vested in the President and Senate.

But the gentleman from Massachusetts, for the purpose of sustaining the doctrine for which he contends, has referred to the British constitution, under which the treaty-making power is vested in the king; and I understand him to insist that the power to make treaties in our Constitution is derived from that of Great Britain and is in consonance with it. To show in whom, under the English government, that power is vested, and its nature and extent, he quotes from Blackstone's Commentaries the following passage:

The sovereign power of making treaties is vested in the person of the king, and whatever contracts he engages in no other power in the kingdom can legally delay, resist, or annul.

He follows the quotation with the remark that—

That power did not exist in the Confederation, and to remedy that inherent and fatal defect in the Articles of Confederation, it was given in express terms to the President and Senate in the Constitution of the United States.

The provision of our Constitution in regard to the making of treaties may or may not have been modeled from the British constitution. That the two constitutions are identical in so far as the treaty-making power is concerned, I freely admit, and I assert that the Parliament of Great Britain, with the concurrence of the king and his ministers, has always claimed and exercised the right and duty of legislating in aid of treaties when requiring appropriations of money to carry them into effect or when in conflict with existing revenue laws.

In proof of this assertion I refer the gentleman from Massachusetts to the treaty of navigation and commerce between Great Britain and France, signed at Utrecht on the 11th of April, 1713. The eighth and ninth articles of that treaty encountered a storm of opposition from British merchants. The eighth article placed the subjects of each government on a footing with the most favored nations "in all countries and places subject to their power on each side, as to all duties, impositions, or customs whatsoever." The ninth article was as follows:

That within the space of two months after a law shall be made in Great Britain, whereby it shall be sufficiently provided that not more customs or duties be paid for goods and merchandise brought from France into Great Britain than what are payable for goods and merchandise of the like nature imported into Great Britain from any other country in Europe, and that all laws made in Great Britain since the year 1664 for prohibiting the importation of any goods or merchandise coming from France which were not prohibited from that time be repealed, the general tariff in France on the 15th of September, in the said year 1664, shall take place there again, and the duties payable in France by the subjects of Great Britain for goods imported and exported shall be paid according to the tenor of the tariff above mentioned, and shall not exceed the rule therein settled in the provinces whereof mention is there made.

This treaty was submitted by Queen Anne to the House of Commons for its action, and it may be seen by a reference to the third volume of Anderson's History of Commerce, pages 71, 72, what the action of the House was, and the reasons which controlled it. On page 271, after stating the points of controversy, he says:

This is, in brief, the sum of this mercantile controversy, which, when brought into Parliament, was so apparent that our trade to France had ever been a ruinous one, and that if, in consequence of accepting the said eighth and ninth articles, the British Parliament should consent to reduce the high duties and take off the prohibitions so prudently laid on French commodities, it would effectually ruin the very best branches of our commerce, and would thereby deprive many hundred thousand manufacturers of their subsistence, that, although a great majority of that House of Commons was in other respects closely attached to the ministry, the bill for agreeing to the purport of the said two articles was rejected by a majority of nine voices, after the most eminent merchants had been heard at the bar of the house, to the great joy of the whole trading part of the nation, and of all other impartial people.

Here is an instance which clearly shows that under the British constitution, treaties in contravention of existing commercial and revenue laws, required the sanction of Parliament to render them effective, and that in the exercise of its discretion Parliament refused its assent, whereby the treaty was rendered wholly inoperative.

Another instance of a like kind, though upon a close vote with a different result, occurred in the year 1739 in the case of the treaty between Spain and Great Britain, and again, as late as the year 1786, in the case of the treaty of commerce and navigation of the 26th of September of that year between His Britannic Majesty and the King of France, the provisions of which may be seen in Anderson's Commerce, volume 6, page 828. To the validity of all these commercial treaties the consent of Parliament was deemed necessary, and they were accordingly submitted to the House of Commons for their approval or dissent. For the same purpose, the treaty between Prussia and Great Britain toward the close of the last century was submitted by ministers, and amendments were offered to the bill giving it effect, which, had they been adopted, would have totally destroyed it; and the king, in his speech from the throne, referring to the American treaty of 1795, told the house that he would lay it before them that they might judge of the propriety of enacting the necessary laws to carry it into effect.

What, then, Mr. Speaker, becomes of the plenitude of the treaty-making power under the British constitution, asserted by the gentleman from Massachusetts, upon the authority of Blackstone, to reside solely in the king? The examples afforded by the action of the House of Commons upon the bills to give effect to the several treaties to which I have referred, furnish an unanswerable response to this question, and demonstrate that, as in our own Constitution, the treaty-making power vested in the President and Senate is limited and checked by the legislative powers delegated to Congress; so under the British constitution, in this respect the model of that of the United States, the same power reposed in the king is restricted by special legislative grants to Parliament, evidenced, as that constitution is unwritten, by immemorial usage.

The principle, then, of constitutional construction contended for by the gentleman from Massachusetts is not sustained by the British constitution or by parliamentary practice under it.

That the Supreme Court of the United States has repeatedly considered this question of the nature and extent of the treaty-making power, and as often affirmed the constitutional construction which I have endeavored to maintain, appears so fully from the array of

authorities cited by my distinguished friend from Virginia [Mr. TUCKER] and his lucid review of them, that further comment by me would be absolutely useless and vain.

I think it clearly follows, Mr. Speaker, from the rule of constitutional construction laid down by Justice Story and universally accepted by jurists and judicial tribunals in this country; from the unvarying practice of the House of Representatives from 1796 to 1816, and from the report and proceedings of the Senate in 1844 in the matter of the commercial treaty between the United States and Prussia and the other states of the Germanic Association of Customs and Commerce, as well as from the consistent practice of the House of Commons under the British constitution, which, so far as the power to make treaties is concerned, is claimed to be the prototype of our own, that the treaty-making power vested in the President, with the advice and consent of the Senate, extends to and embraces all subjects of compact between nations not prohibited by the Constitution; that the House of Representatives have no agency whatever in making treaties; but that when a treaty stipulates regulations on any of the subjects submitted by the Constitution to the power of Congress, it must depend, for its execution as to such stipulations, on a law or laws to be passed by Congress; that it is the constitutional right and duty of the House of Representatives in all such cases to deliberate on the expediency or inexpediency of carrying such treaty into effect, and to determine and act thereon as, in their judgment, may be most conducive to the public good.

It is, then, sir, the constitutional right and duty of this House before passing into a law the bill now under consideration, to inquire into and deliberate upon the provisions of the treaty between the United States and the King of the Hawaiian Islands to which it is designed to give effect, and should it be found that any or all of its stipulations are inimical to the public interests, it will be equally its right and duty to reject the bill and thereby defeat the treaty.

I shall therefore proceed briefly to examine the merits of the treaty itself, with a view to determine at least what are my own duties as a member of the House in the passage or rejection of the bill.

As I before remarked, the treaty professes to be one of reciprocity, that is, of equality, conferring equal privileges and advantages on each of the high contracting parties to it or on their respective citizens and subjects.

To the formation of a correct opinion as to the reciprocal advantages that may result from the treaty, it may not be unprofitable to inquire into the relative condition of the two countries to be affected by it and into their territorial extent, population, and future prospects as nations.

The Hawaiian group consists of twelve islands, situated in the North Pacific Ocean, nearly equidistant from Central America, Mexico, California, Oregon, and Alaska on the one side, and Japan, China, and the Philippine Islands on the other. Of these twelve islands seven are inhabited, one uninhabited, and four are barren rocks, and all are about ten days' sail from the coast of California by steam.

The area of the group is about 3,840,000 acres, of which 392,000 are arable, 100,000 being sugar-cane land, 1,920,000 adapted to grazing, and 500,000 to the production of Manila hemp and bananas, leaving 1,920,000 acres totally unproductive.

There are twenty-six sugar plantations now cultivated, and their additional capacity will not exceed seventy-five more. The total sugar-producing capacity is estimated at 100,000,000 pounds, but their entire product has not exceeded 25,000,000 pounds and it is believed cannot exceed 50,000,000. I make the statement upon the authority of Nordhoff, a truthful and reliable historian of the islands.

The population, which, at the time of the discovery of the islands by Captain Cook, was estimated at 400,000 savages and cannibals, since civilized and Christianized, has suffered a decrease without a parallel in the decadence of any people, until, by the official census of 1872, it amounted to only 55,000 souls, of whom 49,044 were natives and 7,853 foreigners. Its ultimate extinction within a short period of time would seem to be fixed and inevitable. As to the prospect of supplying the islands by immigration with a population to fill the place of an extinct race, Nordhoff furnishes facts which conclusively show that that result cannot be accomplished. After showing in tabular form the decrease of the native population in five years to have been at the rate of 60 per cent., and remarking upon the very small increase by immigration, he says:

You will see that, while the Hawaiians have so rapidly decreased that all over the islands you notice in waste fields and desolate house places the marks of this loss, foreigners have not been attracted to fill up their places. And this in spite of the facts that the climate is mild and healthful, the price of living cheap, the government liberal, the taxes low, and life and property as secure as in any part of the world. One would think that a country which offers all these advantages must be a paradise for poor men, and I do not wonder that in the United States there is frequent talk of annexing the islands. But, in fact, they offer no advantages, aside from those I have named, to white settlers, and they have such serious natural disabilities as will always—at least for the next two or three millions of years—repel our American people and all other white settlers. In the first place, there is very little of what we call agricultural land in the islands. They are only mountains rising from the sea, with extremely little alluvial bottom and that usually cut up by torrents and water washed into gulches, until it is difficult in many parts to find a fair field of over fifty acres.

Again he says:

For farming, in the American sense of the word, the islands are, as these facts show, entirely unfit. I asked again and again of residents this question: "Would you advise your friend in Massachusetts or Illinois, a farmer with two or three thousand dollars in money, to settle here?" and received invariably the answer, "No; it would be wrong to do so."

Such is a full and truthful history of the country and people who occupy it; a country limited in its extent to a few almost barren acres of land, situated in mid-ocean, with no soil, beyond a most limited area, suited to agricultural purposes; with a population rapidly decaying and soon to become extinct, and with no inducements to attract a more hardy and enterprising race to fill their places. Such, sir, is the country and such the people with whom these United States, this great nation, occupying a country of illimitable extent, stretching from the lakes to the Gulf and from ocean to ocean, of every variety of climate, soil, and production, rich in all the exhaustless resources that can be drawn from agriculture, manufactures, mining, and commerce in the hands of an enterprising people, numbering today over 40,000,000 of inhabitants, and capable of sustaining and destined to support a population of more than 300,000,000 of men, is said to have negotiated a treaty of reciprocity.

I ask, in all candor, if it is within the range of possibility, by treaty or by any other device, to establish commercial reciprocity between two such peoples?

However that may be, a reference to the trade between the United States and the Hawaiian Islands will demonstrate that the stipulated concessions on the part of Hawaii are, in no degree, equivalent to the considerations by which we obtain them.

By the first article of the treaty the United States agree to admit into their ports, free of duty, certain articles enumerated in a schedule, of which rice, sugar, sirups of sugar-cane, melado, and molasses form the principal articles of export from the islands. In consideration of this concession, the United States obtain the privilege of exporting to the islands, free of duty, certain enumerated articles of her own produce, growth, or manufacture, some of which are produced in the islands and therefore are not wanted there, while others are now admitted free from all the world.

But, sir, let us look to the actual state of the trade between the two countries, and to the revenue which accrues to each of them from it, that the advantages which we may gain or the losses we may suffer may be both understood.

It appears from the report of the Secretary of the Treasury that the imports into the United States from the Hawaiian Islands for the fiscal year ended on the 30th of June, 1875, were in value \$1,227,191, and that the Government received from duties thereon the sum of \$456,777.

Upon the same authority the exports from the United States to the islands in the same fiscal year, amounted in value to \$665,174, or only \$208,397 in excess of the revenue received by us from the exports of that country. As was said in the minority report of the Committee on Ways and Means, in which I united, this is giving and remitting nearly one dollar of duty to the islands for the privilege of selling another dollar's worth of our products.

By this means, if the trade remains stationary and without increase, we should remit and thereby lose \$3,197,439 in the seven years during which the treaty is to run.

The amount of duties paid to Hawaii upon exports to the islands from the United States is about \$100,000 per annum, as stated by Mr. Pierce, our minister resident in that country, to the Committee on Foreign Relations of the Senate; so that even if the revenue received by us is deducted from the duties we pay, this country would be largely a loser.

Sugar is the principal article of export from the Hawaiian Islands to the United States. For the fiscal year ended 30th of June, 1875, of Hawaiian products 17,888,000 pounds of sugar were imported into the Pacific States, paying a duty of \$391,300; and 1,588,232 pounds of rice, paying a duty of \$31,744, the latter coming into direct and injurious competition with rice produced by our southern planters. The duty on sugar is 2½ cents per pound, and the effect of its remission will be to put in the pockets of some twenty-six, or at most fifty Hawaiian planters, as a bounty, the entire duty, and thereby to insure the export of their whole crop to the United States. The sugar-producing capacity of the islands is officially estimated at 50,000,000 of pounds per annum, the duty on which, together with the loss which will be sustained in revenue by the necessary exclusion of duty-paying sugars produced by other Pacific islands, and which, should the bill now before the House fail, will be imported into Oregon and California, is estimated to amount to \$1,200,000 per annum, making the cost of the treaty to the United States in case effect is given to it by our legislation, for the seven years of its continuance largely over \$8,000,000. And what do we get in consideration of this immense loss of revenue? Absolutely nothing, unless it be a remission of duties on our exports to the islands, amounting to \$100,000 per annum, and a stipulation contained in the fourth article of the treaty on the part of His Hawaiian Majesty, which really is of no value, and is as follows:

That, so long as this treaty shall remain in force, he will not lease or otherwise dispose of or create any lien upon any port, harbor, or other territory in his dominions, or grant any special privilege or rights or use therein to any other power, state, or government, nor make any treaty by which any other nation shall obtain the same privileges, relative to the admission of any articles free of duty, hereby secured to the United States.

Why, sir, already by reason of our proximity to these Sandwich Islands and by the enterprises of our people, in a race of competition with the commercial world, we have secured well-nigh a monopoly of their trade; while by the provisions of the existing treaty between the United States and the King of the Hawaiian Islands, concluded



20th of December, 1849, we are not only placed upon a footing with the most favored nations in matters of commerce and navigation, but the most perfect reciprocity is secured as regards duties of tonnage, harbor, light-houses, pilotage, quarantine, "or other similar duties of whatever nature or under whatever denomination."

Then, again, by the same treaty steam-vessels employed by the Government of the United States in carrying the public mails across the Pacific Ocean, or from one port to another in that ocean, are granted free access to the ports of the Sandwich Islands "to refit, to refresh, to land passengers and their baggage, and for the transaction of any business pertaining to the public mail service of the United States, and shall not be subject in such ports to duties of tonnage, harbor, light-house, quarantine, or other similar duties." The like privileges are granted to our whale-ships, with access to the principal ports of the islands for refitment and refreshment, with liberty of free trade to a fixed amount, and an exemption from tonnage and harbor dues; and the same privilege of entering certain ports is guaranteed to all the public armed vessels of the United States.

What more, Mr. Speaker, do we want? Why should we exchange the existing treaty, full of benefits for us as it is, for the one now under consideration, which, as I have shown, has nothing of mutual-ity or of reciprocity to commend it; but barren as it is of all advantages, is to be purchased for seven years at the enormous cost and dead loss of more than \$8,000,000 to this country? Not only so, sir; if effect is given by this House to the treaty, you will introduce foreign-grown rice, duty free, to compete injuriously with rice the product of the Southern States, while, inasmuch as Hawaiian sugar to be exported to the Pacific coast free of duty is but a tithe of the same article imported into and consumed by the people of that section, no reduction in the price of the commodity can ensue and no possible advantage will accrue to them.

But we are admonished by the report of the majority of my colleagues of the Committee on Ways and Means that there are other and most imperative reasons for the passage of the bill to give effect to this treaty. They say:

Supposing that there were no reciprocity of commerce in this treaty, that the commercial advantages were largely against us, and that we were to lose even \$400,000 annual revenue, yet there are political reasons of sufficient magnitude to warrant us to make it. It involves matters of higher interests, of greater importance, and greater significance than those which relate simply to reciprocal advantages likely to result from a free exchange of commodities.

And then, after referring to the geographical position of the islands, their relation to our Pacific coast, the character of their harbors and their commerce, the secret object of the treaty is somewhat cautiously disclosed by the pregnant admonition that—

The problem as to their future political status, together with the certainty that they cannot maintain autonomy or hold their place as a separate nation and not become absorbed by some other power, are to be considered in determining the question as to the policy of making this treaty.

Yes, sir, the secret purpose of the treaty is thus exposed; the acquisition of territory over two thousand miles from our shores; as far from us as England, Scotland, or Ireland, made up of twelve mid-ocean islands, seven of which only are sparsely inhabited by a rapidly decaying population of original savages, and the rest are barren rocks. This is the territory to be acquired, at an enormous expense, under the pretext of maintaining the autonomy of its dying inhabitants and of preventing their absorption by some other nation.

Yes, sir, a colonial system upon the model of that of Great Britain, with all its bitter fruits of costs and curses, is to be inaugurated and entailed upon us; and that accomplished, we shall soon be looking with longing eyes toward Australia, New Zealand, Tasmania, and the Feejee Islands. I do not, of course, charge upon the majority of the Ways and Means Committee any secret purpose whatever. I know they are, each and all of them, incapable of concealments of any sort; but that there is somewhere such an ulterior object I have no doubt. May that purpose not have been foreshadowed in the "confidential" argument before the Senate Committee on Foreign Relations in regard to this same treaty, made in January, 1875, by Mr. Peirce, the then envoy to the Hawaiian Islands, to which I have already referred. He told the committee that—

That people seem at present unwilling to surrender their autonomy as an independent nation, but the time is not far off when they will be too few in numbers and too feeble in power to desire to maintain their sovereignty, and they must naturally seek for incorporation with their nearest neighbors and most powerful friends, the United States.

And again he said, in the same discourse:

The acquisition of the Hawaiian Islands by the United States, sooner or later, must become a national necessity, to guard the approaches against hostile attempts on the Pacific States. The Hawaiian Islands, if in possession of any European or Asiatic power, would be a standing menace to all the vital interests of the United States on our Pacific coast.

Yes, Mr. Speaker, annexation, colonization, and a colonial system is what those who are behind the scenes have in view if the assent of this House is given to the treaty.

Great Britain, they say, will seize upon these islands if the treaty does not become the supreme law of the land. They forget that there are men in this House to whose fears it would be vain to appeal for the success of any measure, and that it is only "the eye of childhood that fears a painted devil." They forget, too, that the "Monroe doctrine" is still extant in this Government, and that that doctrine will be enforced against Great Britain or any other power that may seize

upon and attempt to hold these islands, if the presence of any one of them there should prove to be a standing menace to the vital interests of the United States on the Pacific coast, or if possession were held with hostile intent toward our country or its people. The policy of this Government in such an emergency was foreshadowed by Mr. Webster, as Secretary of State, in the administration of President Tyler, when, in reference to these very islands, he wrote that "the Government of the United States would look with displeasure upon any effort of any other government to acquire any preponderating influence over the government of the Hawaiian Islands; and, referring to the rumor then current, that the French would probably take possession of the islands, he said that "he trusted they would not take possession, but if they did, they would be dislodged if it took the whole power of the Government to do it."

Rest, assured, Mr. Speaker, that the same policy will be pursued whenever Great Britain or any other foreign government with intent to destroy the peace or to menace the interests of our Pacific States shall undertake to assert dominion over the Sandwich Islands. They will be dislodged if it takes the whole power of the Government to do it. And now, Mr. Speaker, having reviewed all the grounds which have been taken by the friends of this measure in its support, and having, as I hope, demonstrated that the bill to give effect to the Hawaiian treaty ought not to receive the sanction of this House, I shall bring to a close the remarks which I have felt it to be my duty to submit, in order to furnish the reasons which have led me to dissent from the conclusions to which a majority of the Committee of Ways and Means have arrived.

#### Demonetization of Silver—The Power and Duty of Congress.

### SPEECH OF HON. JOHN R. GOODIN,

OF KANSAS,

IN THE HOUSE OF REPRESENTATIVES,

July 13, 1876.

On the joint resolution (H. R. No. 109) for the issue of silver coin.

MR. GOODIN. Mr. Speaker, I cannot agree, sir, to give my assent to the report of the conference committee upon this bill for the reason, mainly, that the committee have agreed to strike out the following proviso, which by a decisive vote was inserted by this House. It reads:

And provided further, That the Secretary of the Treasury is directed to authorize the coinage of a standard silver dollar of the same weight and fineness as that in use January 1, 1861, and that said dollar shall be a legal tender in payment of all debts public or private.

The effect, sir, of this proviso is the restoration substantially of the established silver dollar of 1792, which was a full legal tender for every kind and character of indebtedness, and which position I believe it continued to occupy commercially until the year 1873, when the law under which its coinage was authorized was stricken from the statute-books. Since the date first named we have practically had two standards of metallic currency, namely, gold and silver; and for more than three-quarters of a century the coins from these metals, so far as legislation was concerned, possessed equal value. They were jingled together in the same pocket, to be taken out in the business affairs of life where money was required, just as convenience or chance would have it, with no discrimination for or against either of the coins. But, sir, from some cause not altogether satisfactory to the average mind, in 1873 the silver demonetizing act was passed, leaving us the single metallic standard of gold.

The nation had at that time contracted an enormous indebtedness in consequence of the war, and this action of Congress left the indebtedness legally payable in coin to be liquidated by gold alone. Of this legislation the people had a just cause of complaint. There was no further incentive to extensive silver mining. Germany had driven out her silver by unfriendly legislation; and, notwithstanding the scarcity of gold in this country, silver, which was becoming more plentifully mined, must be demonetized. We hear a good deal said by the bullion-mongers against "cheap money," but this action of Congress must be regarded as an attempt to force us to a kind of specie with which to do the business of this country which, from its deplorable scarcity, could not be subject to any such charge.

The present advocates of the single standard for general use have only conceded that a limited amount of subsidiary silver should be coined, but have steadily objected that it be made a full legal tender. They would withdraw from circulation the paper currency, this legal-tender money, which costs so little and is yet so strongly entrenched in the affections of the people, and leave us for all purposes gold alone. Now, Mr. Speaker, there is not a single person but knows that to procure gold in sufficient quantities to meet the ordinary requirements of the Government, bonds or some species of securities upon which interest will have to be paid will of necessity have to be issued.

The resumption of specie payments—gold specie I should say—means the contracting of additional indebtedness to procure the

precious metal, the glittering of which so captivates the devotees of "honest money." Forced contraction of the currency, judicially declared to be lawful money, means misery and financial ruin to the diversified industries of this country. It means that the debtor who upon a paper basis incurred his obligation, must pay in a metallic coin which he does not possess and which by no amount of honest labor can be acquire. And still a species of mental aberration approximating downright lunacy is charged by the "honest-money" patriots upon those who dare to say that if specie payment is ever to be reached again in this country it must be brought about by natural causes; that it cannot be effectuated by legislative enactments nor by a withdrawal of the circulating paper which now subserves the uses of a metallic currency.

I admit, Mr. Speaker, that the retirement of all paper issues and the declaration by Congress that gold alone shall constitute the "money" of the nation would, to use a familiar and favorite expression of the irrepressible "hard money" men upon this floor, be "a step in the direction of specie payments," but it could hardly be more than that. You may declare that you will have but one kind of currency, but that does not imply that you will secure "payments" of the amounts due you. You may declare only a certain kind of money "honest," but if it is beyond the reach of your debtor, you will still have to carry the indebtedness upon your books.

For years, Mr. Speaker, we have been taking "steps in the direction," we are told, of "specie payments," and what is our condition to-day? I shall not pause to reflect upon the financial ruin which is seen and felt everywhere. I will not dwell upon the fact that all over the country men, women, and children, able and willing to work, are begging for bread; that by no possible means can the debtor procure the money with which to pay his debts. We all know that business enterprises languish, confidence is gone, and hope has long since ceased to warm the desponding heart. No man need tell me, Mr. Speaker, that either directly or remotely has the "irredeemability" of our greenback currency anything to do with this unfortunate state of things. Neither can I be forced to believe that the superabundance of "rag-money" is a source of embarrassment to the people. The legal-tender issues of the Government are good enough. Ever since their adoption all business in this country has been done upon the basis of them, and the clamor for their retirement does not come from the masses of the people nor the mercantile class, but from those money-changers who depend for their fortunes upon trade and traffic in the commodities of gold and silver bullion, the former of which we are now told is to be speedily, forcibly, made the basis of our entire monetary system.

And, Mr. Speaker, the bullionists are not willing, in their eagerness to reach a condition of things where the golden calf shall be the only idol of worship, to pay a decent respect for the laws of the land which in any manner offer resistance to their mad ambition. Between the years 1865 and 1868 they succeeded in having converted \$1,273,220,103 of Government obligations payable in currency into gold obligations, the interest of which was payable in gold. This was in furtherance of the policy of contraction, and added to the gold draught upon the country as interest the sum of \$59,773,503 annually. From the exchange of these obligations most of the gold remained in foreign countries to meet the balances of trade. On this account for two or three years gold accumulated in this country, so that in 1870 the banks held in specie \$48,345,383, while the Treasury held in gold \$113,000,000. Since then, under the contraction policy, the drain of gold has alarmingly increased, and on the 1st day of last January the banks held only \$8,050,329, showing the contraction of gold reserve held by the banks to be \$40,295,054. As the effect of the passage of the resumption act of 1874, let me state a fact. On the 31st day of December previous, only fifteen days before the law was enacted, the banks held \$22,436,761 in specie. Nine months later but \$8,050,329 could be found in the banks, showing the contraction of gold to have been \$13,190,615. According to the report of the Secretary of the Treasury but \$13,000,000 in gold now remain in the Treasury. So of gold held by the Government there has been a contraction of near \$100,000,000. There is only one-sixth as much gold in bank now as when we commenced the fatal policy of contraction; there is only one-seventh as much in the Treasury, and, according to the best attainable information, the currency has been contracted near two-fifths. These, Mr. Speaker, are some of the "steps" we have been taking, and if I am capable of any intelligent reasoning upon cause and effect, we are reaping fruits of the intensest bitterness therefrom.

But, sir, I have said that the advocates of "honest money" find little obstruction in their frantic, headlong rush for specie resumption, in the laws upon our statute-books. Whenever a law is discovered which serves as an obstacle to their onward march, they ingeniously prepare themselves for the work of overcoming it. Those who insist upon the letter of the law are vigorously denounced as "repudiationists," and "public faith" and "fair dealing" become the rallying cry, while some nostrum as a tonic with which to instill vigor into our credit as a nation is administered with promptness and dispatch. The panacea for the ills of the bondholder, in the form of the resolution of Congress passed in 1869, seems to have been both pleasant and effective. That came in the shape of a strengthening-plaster, and was called a measure for "strengthening the public credit." The

credit of the nation was to be "strengthened" by the legislative declaration that—

The faith of the United States is solemnly pledged to the payment in coin or its equivalent of all obligations of the United States not bearing interest known as United States notes and of all interest-bearing obligations of the United States, except in cases where the law authorizing the issue of any such obligation has expressly provided that the same may be paid in lawful money or other currency than gold and silver.

This, Mr. Speaker, to use the language of the law, was "in order to remove any doubt as to the purpose of the Government" with respect to the payment of its notes and bonds. If "any doubt" has ever existed in the mind of any reasonably fair man that by this strengthening-plaster the bondholder got his pound of flesh I have yet to hear it, and will be greatly surprised if I do. On the contrary, Mr. Speaker, it is exceedingly questionable if any judicial tribunal could be found which would construe the laws authorizing the issue of United States notes and bonds as did the "strengthening" act of 1869. Certain it is, sir, that some of the ablest lawyers and clearest headed men in both Houses of Congress and throughout the country have felt and declared the legislation to be pernicious and unwarranted by any just or well-recognized rules of construction. But it made the Government creditors happy, for it secured them advantages which certainly could not have been contemplated at the time the bond obligations were incurred. All the energies of the Government, all the machinery of legislation, are invoked in behalf of the nation's creditors, and every consideration of public faith seems to be presented from their stand-point!

Money and muscle, judgment and patriotism, were alike essential for the maintenance of the Union in the internecine war which threatened its overthrow. Statesmen looked after the laws, men of wealth contributed largely of the means to carry on the war, while the chivalric people of the loyal States shouldered their muskets and did the fighting upon the open battle-fields. All who in any manner aided by tongue or pen, by money or sword, are deserving of lasting praise and remembrance; but I do not think, Mr. Speaker, that the men of wealth who took our bonds are entitled to special privileges. I would have the Government keep its faith regarding every contract, express or implied, and in its remedial and protective legislation guard the rights of the many with the same jealous care which it bestows upon the few.

We all know, Mr. Speaker, because it is a familiar part of our history, that a large portion of the money derived from the sales of United States bonds was legal-tender currency, received at a time when it took \$1.50, \$2, and \$2.80 of it to purchase a dollar in gold. This paper was paid to our soldiers at its face in discharge of our obligations to them for their services at \$13 per month. These same soldiers now comprise a large proportion of the tax-payers of this country, and with their private necessities and the demands of the public in the matter of taxation, they are sorely overburdened. Those, too, who furnished supplies for the Army were paid in like currency, but no complaint comes from anybody that the law is oppressive and needs modification and interpretation, nor that the "public credit" needs "strengthening" save and except those who hold our bonds or are engaged in bullion traffic. And for such as these and none other was the act of March 18, 1869, passed, which, as I have indicated, adopted a construction which the bondholder was unwilling to risk the judiciary in making.

But, Mr. Speaker, however unjust the repeated demands of the creditor class, however unfair to the patient oppressed tax-payers the multiplied concessions to these demands may have been in the past, their present attitude gives promise for greater alarm than any heretofore assumed!

Judge me not ungentle,  
Of manners rude, and insolent of speech,  
If, when the public safety is in question,  
My zeal flows warm and eager from my tongue.

Sir, in the discussion which has been had upon this conference report no one has denied the legal right of the Government to pay its bonded obligations in either gold or silver coin. The gentleman from Ohio [Mr. PAYNE] who makes this report does not deny it. The gentleman from Pennsylvania [Mr. TOWNSEND] does not do it. The gentleman from Illinois, [Mr. BURCHARD], who favors the report, does not do it, and the gentleman from Ohio, [Mr. GARFIELD], while he says:

Since I have been in public life I have never known any proposition that contained so many elements of vast rascality, of colossal swindling as this,

does not controvert the position that the Government may lawfully liquidate these demands with silver coin. I am gratified, Mr. Speaker, that we have at last reached a monetary question upon which there is no disagreement as to the law. With reference to the act of 1869 which so securely "strengthened the public credit," lawyers did not entirely agree in either House, but here and now upon this question we have the most pleasing harmony. Now, sir, at this point let us again recur to the bondholder's act of 1869, whereby the law by which they could be required to accept the principal upon their bonds in legal-tender paper was distorted and construed otherwise. It reads:

\* \* \* The faith of the United States is solemnly pledged to the payment in coin or its equivalent of all obligations of the United States, &c.



Payment in what? Payment in coin. What kind of coin? I answer in any kind of coin recognized by the United States as lawful money. Two kinds of coin were used and recognized by the United States, namely, gold and silver. The bondholder has heretofore shouted lustily for his "rights" and for a proper observance of the "solemn contract" between himself and the Government, and has been able to secure the most favorable legislative and executive interpretation. Now he is unwilling to be bound by the legislation which was obtained for his benefit because the commodity in coin which he agreed to take in payment of his debts is less valuable than when his debt was contracted. I will assimilate his present complaint to an individual purchasing a horse. At the time of the purchase horses are worth \$100. His is to be delivered at a time stated in the future. At the time of delivery horses are worth but \$75, but his vendor has complied with his contract and demands his money. The vendee insists upon having made up to him the decline in horse-flesh since the purchase. Of course this demand would not be acceded to, and yet it is scarcely less presumptuous than that of the holder of United States bonds who, by reason of the decline in silver, insists that the difference between silver and gold should be saved to him.

Mr. Speaker, no one would for a moment entertain the idea that if gold or silver, or both, had advanced in value since the making of the contract, the creditor would be bound to refund the advance to the Government; but if he and those who would demonetize our own product of silver in his interest would apply a rule which is to work fair and equitably, this would be the result in such case.

Sir, I am rejoiced that the gentleman from Indiana [Mr. LANDERS] by his amendment of the silver bill has called the attention of this House and the country to the enormous demands of the money power. When the legal-tender paper currency is below gold and silver then it insists that the law shall be construed that both principal and interest of our indebtedness shall be paid in coin. When a portion of the coin or the metal out of which it is made becomes plentiful or for any other reason is less in value than gold, then the demand is that it shall be increased so as to be worth as much as gold or that payment be made in coin of the last-named metal. And I presume, sir, that by the same parity of reasoning, if some wonderful bonanza should be struck in Nevada or elsewhere, and that gold should be produced in enormous quantities, or from any other cause there should be a decline in its value, these same gentlemen would claim that this fact was unforeseen at the time the contract was made, and that the creditor should be in some way indemnified for the depreciation of values.

Very clearly, sir, are we shown the rock upon which the best interests of the honest laborer and tax-payer will be shivered to pieces unless we change our course of sailing right speedily. In these latter days the "treacherous flatteries" of the money kings seem to possess captivating powers over the people's servants, and it sometimes looks as if—

Conscience, truth, and honesty are made  
To rise and fall like other wares of trade.

Mr. Speaker, the act to which I have referred as the credit-strengthening measure was pernicious in its inception and marked a sad era of submission to the dictates of the money power; and to-day, like General Grant at Donelson, the bondholders are demanding of us an "unconditional surrender," and a tax-ridden people are waiting with the most earnest solicitude to witness our determination. But, Mr. Speaker, every consideration of public duty and of private interest demands that silver be remonetized and take its old place as a money coin in this country.

I tell you, sir, that the people, when they come to fully understand and to feel the effects of the enormous contraction of legal-tenders and of the demonetization of silver, will not submit passively to it. Sir, it is not yet generally known that the bright, shining pieces of subsidiary coin now in circulation are only legal tender to the amount of \$5. If I owe a man \$6, he may lawfully refuse to receive more than five of it in silver. So the "irredeemable rag-money" is worth a premium over silver. The legal-tender quality imparted to it by law appreciates its value; and just in proportion as you can widen the uses of it, to that extent you measurably advance the value of any circulating medium. Then why not remonetize silver in this great nation, giving a coin in silver all the purchasing qualities of gold? If it be desirable to effect a gold-value reduction, the issue of silver coins with full legal-tender qualities will do it, and soon both coins will be of equal values, the one exchangeable for the other. No objection can be urged constitutionally, because silver is one of its recognized commodities from which to coin lawful money.

It seems to me, Mr. Speaker, that the necessities of the country demand that the act of January 18, 1837, providing for the coinage of United States silver dollars of the weight of 412½ grains should be substantially re-enacted, and that the silver bullion now in possession of the Government should thus be absorbed. With the experiences of the past in relation to our paper legal-tenders, which have proved such blessings to the country, it cannot truthfully be said that because of the cheapness of the commodity out of which the money is made it cannot be made to nevertheless subserve the uses, ends, and interests of the people, and meet all obligations, whether of a public or private character.

Silver Coin.

## SPEECH OF HON. W. S. HOLMAN,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

July 13, 1876.

The House having under consideration the joint resolution (H. R. No. 100) for the issue of silver coin—

Mr. HOLMAN said:

Mr. SPEAKER: It is urged that it is better to save the two features of the bill to which the conference committee have agreed, the one authorizing the exchange of legal-tender notes for fractional silver currency to the extent of \$10,000,000, the legal-tender notes only to be re-issued when an equal amount of paper fractional currency shall have come into the Treasury and been canceled; and the other authorizing the purchase of \$20,000,000 of silver bullion for coinage into fractional currency—neither of which, in my judgment, are judicious measures—rather than run the risk of the failure of these by insisting on the measure rejected by the conference committee, the restoration of the legal-tender quality of silver money as proposed by the amendment of my colleague, [Mr. LANDERS.]

I hope this pretense will not be indulged in. If the two features of this bill to which the conference committee have agreed were really valuable, there is no urgent necessity for their immediate adoption. A little delay will in nowise embarrass the country.

The important feature of this bill is the legal-tender feature incorporated upon it on motion of my colleague, [Mr. LANDERS.] It is impossible in the nature of things, considering the attitude of business before the Senate as well as the state of the conferences between the two Houses on the appropriation bills, that Congress shall adjourn at an early moment. There is, then, ample time for further conference on this bill. I therefore assume that gentlemen in voting in favor of the report of the conference committee must do so because they are content with the provisions of the bill as reported by the conference committee and opposed to that portion of the bill which has been stricken out by that conference.

Mr. BURCHARD, of Illinois. For my part I disclaim any such assumption.

Mr. HOLMAN. I would admit the correctness of the position of the gentleman from Illinois if we were on the very eve of the close of the session. But there is at any rate ample time for repeated conferences on this bill before Congress can possibly adjourn, as gentlemen must see by considering the position of the impeachment trial before the Senate and the state of the appropriation bills. There is no occasion for haste. This bill will not be placed in jeopardy by delay. There is ample time for further and deliberate conference. A great public measure should not be defeated on a false pretense.

The question therefore is whether we should concur in this report on the assumption that otherwise all the features of the bill will be lost. All will not be lost. If this House non-concur, there is still ample time for further deliberation. I trust the House will not concur; that this measure will go back for a further conference; and that the views of the House heretofore expressed shall be further urged upon the conferees of the Senate. But to the merits of this question. I am astonished, sir, at the enthusiasm, the actual excitement of the gentleman from Ohio, [Mr. GARFIELD.] The gentleman can scarcely find terms strong enough to express his condemnation of a measure that seems by remote inference to operate favorably for the debtor class of the people of this country. When the notes of the Government, made legal tender in the general business of our people by virtue of law and worth from forty to sixty cents on the dollar on the gold basis, were converted into bonds the principal of which was expressly payable in lawful money—the lawful money on the basis of which and for which the bonds were issued—the gentleman from Ohio did not consider it contrary to public morals, the moral honesty of a great people, to declare, by the act of the 18th of March, 1869, that the bonds so issued on a depreciated currency, and the principal of which was payable in such currency, should be paid in a more valuable money—in coin, gold, or silver, adding enormously to their value. When that measure, in the interest of capital, in the interest of the public creditors, was pending in this House, and being forced through under the previous question, the gentleman did not become enthusiastic in the interest of the debtor class or in the interest of the labor which was to bear the increased burden, and denounce the measure as a fraud, a colossal swindle. Not a word of that. But, on the contrary, the gentleman from Ohio gave the measure a prompt and cordial support. Yet it is positively true that that measure, the very first measure of this Administration, by a change of the medium of payment enhanced the value of the 5.20 bonds at least \$200,000,000, and added not less than \$200,000,000 to the great burden under which the labor of this country rests; and every one of the 5.20 bonds had been issued before that measure enormously increasing their value was enacted. But that was not "a colossal swindle!" O, certainly not, for it was in the interest of capital! But this silver measure is a colossal swindle, of course, because it seems to be in the interest of the debtor class and of labor. It is simply proposed by

the pending measure that the state of the coined money of this country at the time that act of March, 1869, was passed shall still be the state and standard of the coined money of this country; that the silver dollar, the unit of value, with slight variation of standard from the foundation of the Government to February 12, 1873, shall still be lawful money; shall be still legal-tender coin in the interest of justice and fair dealing; not in the interest of one class, the debtor class, nor in the interest of the creditor class, but in the interest of justice and common honesty between this Government and its people and its creditors, and of the citizen with the citizen.

Whatever may have been the diversity of opinion, before the final decision of the Supreme Court of the United States, as to the power of Congress to give to paper issues the attributes and final quality of money, no man ever doubted that gold and silver coin, in such relations to each other as Congress might prescribe, was lawful money. The one is as clearly a constitutional coin as the other. The Constitution does not consider their relative commercial value, but only the quality of money—the standard of value in the liquidation of debts—that Congress should stamp upon them.

Until the 12th of February, 1873, through all of our history gold and silver coin were equally and alike, in proportions which had undergone scarcely a perceptible change, money. The first coinage act of April 2, 1792, provides as to silver money as follows:

Dollar or unit, each to be of the value of a Spanish milled dollar, as the same is now current, and to contain three hundred and seventy-one grains and four-sixteenth parts of a grain of pure, or four hundred and sixteen grains of standard silver.

And by the eleventh section of the same coinage act the relation between gold and silver coin is established as follows:

SEC. 11. *And be it further enacted*, That the proportional value of gold to silver in all coins which shall by law be current as money within the United States shall be as 15 to 1, according to quantity in weight of pure gold or pure silver; that is to say, every fifteen pounds weight of pure silver shall be of equal value in all payments with one pound weight of pure gold, and so in proportion as to any greater or less quantities of the respective metals.

By the coinage act of 1837, which remained in effect in force until the passage of the act of February 12, 1873, the silver dollar is to be of 412½ grains of standard silver, as against 416 grains of standard silver by the act of 1793. Thus in the progress of time between 1793 and 1837 the value of silver had slightly increased, at least in its commercial value in relation to gold.

The law in force in 1873 before the demonetizing of silver was this act of 1837, and the provision of that act as to silver money is as follows:

SEC. 9. That of the silver coins the dollar shall be of the weight of 412½ grains, [standard metal]; the half dollar of the weight of 206¼ grains; the quarter dollar of the weight of 103¼ grains; the dime, or tenth of a dollar, of the weight of 41¼ grains; and the half dime, or twentieth part of a dollar, of the weight of 20 grains and 5⁄16 of a grain; and that dollars, half dollars, and quarter dollars, dimes, and half dimes shall be legal tenders of payment, according to their nominal value, for any sums whatever.

And this, sir, was the state of the law on the 18th day of March, 1869, when the act was passed "to strengthen the public credit," so called, which declared that "the faith of the United States is solemnly pledged to the payment in coin or its equivalent of all the obligations of the United States not bearing interest, known as United States notes, and of all the interest-bearing obligations of the United States, except in cases where the law authorizing the issue of such obligation has expressly provided that the same may be paid in lawful money or other currency than gold and silver."

Here was the initiative step toward the final retirement of the United States legal-tender notes—the only paper money ever issued in the direct interest of the people—that the bank monopoly might resume, as of old, the plunder of our industries and the centralization of our wealth.

The far-seeing capitalists, after the passage of the coin act of March 18, 1869, adding at least two hundred millions to the value of their securities, seemed to have been indignant that Congress had not done even better for them. The money-changers of the world, who coin the sweat of the labor of multitudes of men into imperial fortunes for themselves, saw the subtle advantage of coercing the payment of the vast indebtedness of the nations—of the laboring multitudes—in a single coin, greatly diminishing the quantity of the medium of payment. Germany, Belgium, France, Switzerland, Italy, and even Holland, the latter powers under the auspices of England, in different degrees, were moving upon the unconscious laboring interests of the world in the direct interest of capital at this period. Without previous suggestion, Mr. Hooper, a member of this House, a leading capitalist and banker of Boston, brought before the House on the 27th day of May, 1872, "a bill revising and amending the laws relative to mints, assay offices, and coinage of the United States," with a substitute therefor, which he offered. This bill, or rather the substitute for the bill reported by Mr. Hooper demonetized silver and produced a change in the standard of values in its ultimate results almost without a parallel, the effect of which will only be seen in the forced resumption of specie payments.

I have before me the record of the proceedings of this House on the passage of that measure, a record which no man can read without being convinced that the measure and the method of its passage through this House was a "colossal swindle." I assert that the measure never had the sanction of this House, and it does not possess the moral force of law.

Mr. Hooper moved to suspend the rules and pass the substitute reported by him; then the record shows the following proceedings occurred. I omit the unimportant details:

Mr. HOLMAN. I suppose it is intended to have the bill read before it is put upon its passage.

The SPEAKER. The substitute will be read.

Mr. HOOPER. I hope not. It is a long bill, and those who are interested in it are perfectly familiar with its provisions.

Mr. KEEL. The rules cannot be suspended so as to dispense with the reading of the bill.

The SPEAKER. They can be.

Mr. KEEL. I want the House to understand that it is attempted to put through this bill without being read.

The SPEAKER. Does the gentleman from Massachusetts [Mr. Hooper] move that the reading of the bill be dispensed with?

Mr. HOOPER. I will so frame my motion to suspend the rules that it will dispense with the reading of the bill.

The SPEAKER. The gentleman from Massachusetts moves that the rules be suspended and that the bill pass, the reading thereof being dispensed with.

Mr. RANDALL. Cannot we have a division on that motion?

The SPEAKER. The motion to suspend the rules cannot be divided.

The motion of Mr. Hooper failed.

Mr. Hooper then moved that the rules be suspended and that the substitute for the bill be passed, and that the substitute be read.

The Clerk began to read the substitute.

Mr. BROOKS. Is that the original bill?

The SPEAKER. The motion of the gentleman from Massachusetts [Mr. Hooper] applies to the substitute, and that on which the House is called to act is being read.

Mr. BROOKS. As there is to be no debate, the only chance we have to know what we are doing is to have both the bill and the substitute read.

The SPEAKER. The motion of the gentleman from Massachusetts being to suspend the rules and pass the substitute, it gives no choice between the two bills. The House must either pass the substitute or none.

Mr. BROOKS. How can we choose between the original bill and the substitute unless we hear them both read?

The SPEAKER. The gentleman can vote "ay" or "no" on the question whether this substitute shall be passed.

Mr. BROOKS. I am very much in the habit of voting "no" when I do not know what is going on.

Mr. HOLMAN. Before the question is taken on suspending the rules and passing the bill, I hope the gentleman from Massachusetts will explain the leading changes made by this bill in the existing law, especially in reference to the coinage. It would seem that all the small coinage of the country is intended to be recoinced.

Mr. HOOPER, of Massachusetts. This bill makes no change in the existing law in that regard. It does not require the recoinage of the small coins. On the contrary, I understand that the Secretary of the Treasury proposes to issue an order to stop the coinage of all the minor coins, as there is now a great abundance of them in the country. The salaries are not increased; they remain as they were.

Mr. HOLMAN. Is not the salary of the subtreasurer at New York increased?

Mr. HOOPER, of Massachusetts. No, sir; it is not increased.

Then, inasmuch as the House seemed fully satisfied with the statement of Mr. Hooper that the bill made "no change in the existing law in that regard," a number of questions were asked in regard to the proposed increased facilities for mintage, the salaries to be paid, and the like, and then the rules were suspended and the bill passed. It was never read, and except the small number of gentlemen who composed the Committee on Mines and Mining, no member of the House, I am safe in asserting, knew of this radical and extraordinary change by which one of the two metals which from the beginning of history have been mediums of exchange in the commerce of the world was to be rejected, and as an inevitable result the other greatly enhanced in value.

This bill, without further notice in the House, passed the Senate during the same Congress, and became a law on the 12th day of February, 1873, and the feature under consideration now stands in our statutes in the following words:

The silver coins of the United States shall be a legal tender at their nominal value for any amount not exceeding \$5 in any one payment.

And this is the state of the silver money under existing law. Instead of a full legal tender as it had been through all of our history until February 12, 1873, it becomes by that act a legal tender for \$5 only in any one payment, thus reduced and degraded to a subsidiary and inferior coin. The old dollar of 371¼ of pure silver was ignored and rejected from our monetary system.

The object of all this is too obvious to require explanation. The gentleman from Ohio [Mr. GARFIELD] estimates our debts, national and corporate and individual, at \$5,000,000,000. I fear that this estimate is below the reality. The great body of this indebtedness accrued while silver money was a full legal tender. It is obvious that the increase of indebtedness public or private has been inconceivable since the financial crash of 1873. It was the weight of the immense debts, public and private, contracted before 1873 that brought financial ruin upon the country. It would be exact justice that this vast body of debts should be payable in the same money and on the basis of the same volume of money as that in which it was contracted; equally just to the creditor and the debtor. No man can deny the truth of this proposition. Is the debtor less entitled to justice than the creditor? Shall honor and fair dealing and all the principles of just government give way before the demand of the creditor? Has capital alone rights which government is bound to respect? As a general proposition, this vast sum of \$5,000,000,000 of indebtedness, public and private, rests directly on the labor of the country. Is it just to increase the weight of this indebtedness by arbitrary law? Is labor less entitled to justice and fair dealing than capital? Shall we return, after the centuries of revolution in which the many have demanded the just recognition of government, to the



policy of the Middle Ages when the few only were recognized by the state?

Few men would dare to give these questions an affirmative answer. And yet within eight years by these arbitrary enactments of law the weight of our vast indebtedness and the value of the securities which represent it have been enormously increased without one ameliorating provision in the interest of the labor on which this indebtedness rests; the act of March 18, 1869, declaring that the principal of public bonds, which was payable, in express terms, in lawful money—gold, silver, or legal-tender notes, at the option of the Government—and notwithstanding that those bonds were sold for legal-tender notes greatly depreciated below the value of gold and silver coin, should be paid in coin only; the coinage act of February 12, 1873, demonetizing silver coin, greatly reducing the volume of money and directly and immensely reducing the medium of payments for the bonds augmented in value by the act of March 18, 1869, and thus still further increasing their value; and the act of January 14, 1875, proposing to demonetize \$372,000,000 of legal-tender notes, lawful money, thus reducing to this vast extent the medium of payments of a large portion of the five billions of indebtedness, and this too by increasing the enormous interest-bearing debt by funding these \$372,000,000 of lawful money into 5 per cent. gold bonds. I hesitate to mention the increased weight of indebtedness imposed by these three acts on the laborer and on the debtor class of this country, for its magnitude would seem almost incredible. And such is the temper of our times that gentlemen feel perfectly safe in denouncing a measure that is not in the interest of capital as “a colossal swindle.” The sanctity of “the public credit,” the spirit of “public honor,” are invoked only in behalf of capitalists, as if there was nothing sacred in the rights of labor and nothing noble in equal and exact justice.

I cannot see any possible injustice in restoring the legal-tender quality of silver money. It seems to me positively unjust not to restore it. It is a measure, in my judgment, in the interest of the people and of equal and exact justice. Of course there is no great lobby pressing this measure. The laboring interests of this country are never represented by an organized lobby such as filled every avenue to the halls of Congress when the three measures in the interest of capital to which I have referred were pending. When the coin act of March 18, 1869, was passed through this House under the previous question and without permitting one word of debate, the capitalists of this country and of Europe were fully satisfied with its provisions. It was regarded as a great triumph. The gentleman who reported the bill to this House was at once made our minister to England and was received with distinguished consideration by the great representatives of English wealth, but even then the holders of our public securities, while exacting that legal-tender notes should not be money in payment of the public debt, did not arrogate the right to demonetize silver and demand gold for their bonds. It was not thought safe to awaken the laboring-men of this country by demanding too much. That act recognizes silver and gold as the money in which the securities should be paid. The terms of the act are explicit:

The faith of the United States is solemnly pledged to the payment, in coin or its equivalent, of all the obligations of the United States not bearing interest, known as United States notes, and of all the interest-bearing obligations of the United States, except in cases where the law authorizing the issue of any such obligation has expressly provided that the same may be paid in lawful money or other currency than gold and silver.

If it was proposed to change the relations of the two metals, increasing the relative value of silver, the objection would be good, for the creditor is entitled to be paid in the money provided for in his contract; but nothing of the kind is suggested. It is simply proposed to restore to silver money its quality as legal tender in payment of debts which it possessed from the foundation of the Government to the 12th day of February, 1873. It is said that silver has become less valuable. As an article of commerce silver and gold, like every other article of merchandise, is and always has been and always will be subject to fluctuation. From various causes it is clear that gold as an article of commerce has increased in value and silver has fallen in value; both metals have been subject to such vicissitudes from the time that their employment as mediums of exchange was found convenient in the business of the world; but when the Government stamps upon three hundred and seventy-one and one-fourth grains of pure silver, or four hundred and twelve and one-half grains of standard metal the quality of a dollar, a unit of value, and makes it a legal tender as a dollar, it is simply a dollar—a dollar in the legal payment of debt, and becomes a recognized and legal standard of value and exchange, and such it has been from the beginning of our Government. The suggestion that the silver dollar is worth less than the greenback dollar and greatly less than the gold dollar is absolutely absurd, except only as to the extent that each may be a legal tender in the payment of debts. The one that may liquidate debts of every character is of course the most valuable as money in comparison with one that is only a limited legal tender.

I do not hesitate to express the opinion that the double standard—gold and silver legal tender—is demanded by the true interests of this country, and that if the fatal policy of the resumption act of January 14, 1875, is finally carried out and the exclusively gold standard of 1873 shall be maintained, the general prostration of all the industries of this country will be inevitable, and wide-spread disaster and universal suffering will fall upon our people. No interest will

escape the general ruin except that of invested capital, which will be enlarged to the degree that all other interests of the country will suffer.

Dr. Linderman, the Superintendent of the Mint, in his last report says:

Since 1870 the exclusive gold standard has been adopted by the United States, Germany, Japan, and the Scandinavian states. The double standard exists in France, Belgium, Italy, Switzerland, the Netherlands, Portugal, and Spain, and the silver standard in Russia, Austria, Mexico, China, and the Indies.

Of all these four nations that since 1870 have adopted the exclusively gold standard, the United States only is a debtor nation; ours is the only nation that has legislated in the special interest of foreign capitalists, and when it is known, as it should be, that a representative of British capital was consulted by Mr. Hooper and his associates in framing the mintage act of 1873, the motive that instigated that act may well be imagined.

Dr. Linderman says further:

The principal money markets of the world have been occasionally disturbed during the last three years, and the margin of the exchanges has been such as to afford a wide field for speculation. In seeking for the causes of these disturbances, it would appear, at first glance, that the supply of gold is unequal to the legitimate demands of the rapidly increasing commerce of the world. A careful examination of the subject, however, will show that the monetary troubles have not been caused by insufficient supplies of gold, but by its having been withheld in large sums from circulation, and the diminished use of silver as money.

The withholding of gold from circulation and the diminished use of silver as money are the causes, then, of the disturbed condition of finance among commercial powers! Why is the gold withheld from circulation? Manifestly because in the reduced volume of money a few great capitalists are able to control the money market of the world. This is the inevitable result of the diminished use of silver or some other standard of money. The withholding of gold under this new policy, made easy by the retirement of silver, restores the medieval age in the capacity of the few great masters to enslave mankind—the old by force, the new by subtlety and cunning.

The great American poet in his apostrophe to freedom admirably depicts the ceaseless struggle between freedom and tyranny, and he admonishes freedom that his ancient enemy tyranny “will fade into a feebleness age”—feebleness, yet subtler.

He shall send  
Quint masks, forms of fair and gallant mien  
To catch thy gaze and utter graceful words  
To charm thy ear: while his eyes jump by stealth  
Twine round thee threads of steel, light thread on thread,  
That grow to fetters; or bind down by arms  
With chains concealed in chaplets.

In view of the legislation of recent years the laboring-men of this country may well consider these words—more truthful, if possible, than poetic.

This question of silver money has received but little attention since the passage of the act of 1873. Indeed, so late as March last, being present at a conference between members of the House and Senate, and the demonetization of silver being mentioned, a leading Senator, for many years in the Senate, asserted most positively that silver coin was still an unlimited legal tender, and an appeal to the law only settled the dispute. But the depressed condition of our various industries, the absence of employment for labor even at low and unremunerative prices, and the general suffering and distress everywhere manifest, will provoke a severer inquiry into the financial policy of the country. It will be seen that every measure of finance and taxation since the close of the war has been against labor and in favor of capital, and that the country is now suffering from a policy dictated by a selfish and remorseless cupidity seeking to augment the advantages and power of wealth and taking from “the mouth of labor the bread it has earned,” and that only through a reversal of this policy and the enactment of laws of finance and taxation equally just to every interest can our prosperity be restored.

#### National Currency.—Remonetization of Silver.

### SPEECH OF HON. J. G. CANNON,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

July 13, 1876.

On the report of the committee of conference on the disagreeing votes of the two Houses on the amendments to the joint resolution (H. R. No. 109) for the issue of silver coin.

Mr. CANNON. Mr. Speaker, there is a general discussion throughout the country as to what should be our financial policy; and no man in an ordinary life-time can intelligently read and digest all the essays and plans suggested by the thousands of persons who are discussing this question, and generally each one of whom is absolutely certain that his proposition is the magic wand which, if adopted, will calm either the storm or serve as a rudder by which to steer the ship of state over the angry sea into a harbor of safety.

I do not deprecate the discussion, for in a republic like ours, whose destiny is controlled directly by the people, discussion leads to a proper understanding of the question, and when once understood, I

have no doubt the people will, in the future as in the past, approve those measures which are right and politic; for in the long run the old maxim applies to nations as well as to individuals, that honesty is the best policy; and at the outset I want to say that this question will never be settled by theorists, for they disagree and quarrel. It is only by availing ourselves of the experience of the past and exercising that best of all kinds of sense, "common sense," aided by common honesty, that we can hope to find out and adopt the true policy.

It is with a desire to advocate a proper policy that I approach the discussion of the question now being considered by the House; for any action here that results in legislation upon a question of national importance, is in its effects felt by every business interest of the country and in the homes of forty-four millions of people; and while we may make mistakes and no doubt do, no Representative has the right to act without having diligently inquired as to what his action should be. The proposition is to remonetize the standard silver dollar as it was prior to February, 1873, making it a legal tender for all debts, public and private, and receivable for duties on imports. And in coming to a conclusion two questions are to be considered:

First. Have we the right, legal and moral, to so legislate?

Second. Is it good policy to so legislate?

First as to the right.

#### CONSTITUTIONAL PROVISIONS.

Mr. Speaker, the Constitution (section 8) provides, among other things, that "Congress shall have power to borrow money on the credit of the United States. \* \* \* To coin money, regulate the value thereof, and of foreign coin." Congress, under this power, has from time to time provided for the coinage of money and fixed the weight and fineness of the various denominations thereof.

Article 1, section 10 provides—

"No State shall \* \* \* coin money, emit bills of credit, make anything but gold and silver coin a tender in payment of debts."

In 1791 Alexander Hamilton, in making a report to Congress, in speaking of the use of the precious metals as money, used the following language:

To annul the use of either of the metals as money is to abridge the quantity of circulating medium, and is liable to all the objections which arise from a comparison of the benefits of a full with the evils of a scanty circulation.

Thomas Jefferson, in a letter to Hamilton, February, 1792, says:

I return you the report on the Mint. I concur with you that the unit must stand on both metals.

This shortly preceded the enacting of the law of April 2, 1792, by which the Mint was established and the coinage of money provided for, and as I desire to be accurate in all my statements, I will give the provisions of the act of 1792, and all subsequent acts of Congress in reference to the coinage of money, by reading from the report of the Director of the Mint for the year 1873, page 9, as follows:

The Mint was, by the act of April 2, 1792, established "for the purpose of a national coinage," at Philadelphia, that city then being the seat of Government. By the same act it was provided that the money of account should be expressed in dollars or units, dimes or tenths, cents or hundredths, and mills or thousandths; and that all accounts in the public offices or proceedings in the courts of the United States should be kept and had in conformity therewith. Although the ideal unit of the colonial money of account was originally called a pound, the Spanish dollar was for many years before the establishment of the present form of government the money of commerce and practical monetary unit, and, whether obligations were discharged in gold, silver, or paper money, a certain number of Spanish dollars constituted, specifically or by implication, the standard or measure of value. This had much to do with the selection in 1792 of the dollar as the monetary unit.

By the act referred to, provision was also made for the issue of gold, silver, and copper coins. The gold coins were to be rated at 24.75 grains of pure gold to the dollar and the silver coins at 371½ grains to the dollar or unit, the relative value of the two metals being declared in the same law to be as 15 to 1. These standards were continued down to 1834, when an act was passed reducing the pure gold from 24.75 to 23.20 grains to the dollar.

By the act of January 18, 1837, the fineness of the gold was increased about three-fourths of one thousandth by changing from the standard of .89925 to .900, which increased the pure gold to the dollar from 23.20 to 23.23 grains, at which it still remains.

By this act the fineness of both the gold and silver coins was fixed at .900. The silver dollar weighed 412½ grains troy, and the gold was issued at the rate of 25.8 per dollar in value, the actual gold dollar coin not being authorized, however, until 1849. The relation of the metals, therefore, was almost exactly 16 to 1.

The quantity of pure silver in the dollar, as originally fixed, was not changed from the date of its issue down to April 1, 1873, when it was discontinued; but the weight of the coins of less denomination was reduced from 412½ to 384 grains standard per dollar of nominal value by the act of February 21, 1853, which fixed the weight of the half dollar at 192 grains and the quarter dollar, dime, and half dime at one-half, one-fifth, and one-tenth of the said half dollar.

The standard weight of these latter coins was, by the coinage act of 1873, increased to 385.8 grains to the dollar, composed of two half dollars, four quarter dollars, and ten dimes, and corresponding in weight and fineness with the five-franc silver coin of the Latin states of Europe. These coins are issued at the rate of \$1.2414 per standard ounce, 800 grains giving coins of the nominal value of \$1.000.

The coinage act, in effect, abolished the silver dollar of 412½ grains troy (371½ grains pure silver) and declared the gold dollar of 25.8 grains, nine-tenths fine, (23.23 grains pure gold), the unit of value, and thus legally established gold as the sole standard or measure of value. The issue of the copper coin commenced in 1793, silver in 1794, and gold in 1795.

It will be noticed that the Spanish silver dollar prior to act of 1792 was the standard of value, and it is true that the standard silver dollar of the United States had in it the same amount of silver as the Spanish silver dollar, and that under this legislation the standard silver dollar weighed 412½ grains, nine-tenths of it fine silver and one-tenth alloy, and the weight of this coin was never changed, and all the acts of Congress prior to 1873 provided it should be a legal tender for all debts public and private, while the gold dollar, act of 1853, 25.8 grains, with the larger gold coins were also a legal tender. Both the silver

and gold were called coin. The smaller silver coin, half dollars, quarters, dimes, and half dimes, weighed a little less to the dollar than the standard silver dollar, and by the act of 1853, as well as the act of 1873, were a legal tender for not exceeding \$5.

In making both gold and silver a standard of value, our fathers took counsel of the experience of civilized nations for many centuries past.

Indeed, I may say, in the light of history, that from the most ancient times mankind have by toil, hardship, and enterprise sought both gold and silver, and in most civilized countries have used them for money, and with slight fluctuations in the proportion of 16 to 1, that is, sixteen ounces of silver being equal in value to one ounce of gold. So from 1792 to the breaking out of the late war, and all through the war up to 1873, the standard silver dollar was in common with gold coin a legal tender for all debts, public and private, and receivable under all the legislation for duties upon imports.

During the late rebellion the United States, for the purpose of preserving its existence, raised armies, bought supplies, and performed all other acts necessary to carry on the war to a successful termination, and it became necessary for Congress to borrow money "on the credit of the United States."

#### ACT OF JULY 17 AND AUGUST 5, 1861.

The first loan after President Lincoln was inaugurated was under the act of July 17, 1861, authorizing the borrowing on the credit of the United States of \$250,000,000 on bonds at 7 per cent. interest, payable after twenty years.

Section 9 of the act is as follows:

And be it further enacted, That the faith of the United States is hereby solemnly pledged for the payment of the interest and the redemption of the principal of the loan authorized by this act.

August 5, 1861, an act was passed supplementary to the act of July 17, 1861.

The bonds issued under these acts bound the Government to pay dollars. There can be no mistake as to the meaning of the word dollars. It was coin, either or both gold and silver of the weight and fineness provided by law. This was prior to the acts authorizing the issue of United States notes known as greenbacks.

#### FIRST ACT AUTHORIZING THE ISSUE OF UNITED STATES NOTES KNOWN AS GREENBACKS.

The war still progressed, and the necessities of the Government for money with which to purchase supplies and pay other expenses were pressing. So on the 25th of February, 1862, it was enacted, section 1, "that the Secretary of the Treasury is hereby authorized to issue on the credit of the United States \$150,000,000 of United States notes not bearing interest, payable to bearer at the Treasury of the United States." It was further provided that such notes should be receivable for all debts due the United States, "except duties on imports," and should be received for all claims and demands against the United States, "except for interest upon bonds and notes, which shall be paid in coin;" and they were, with above exceptions, also made a legal tender for all debts, public and private.

These notes did not bear interest; the promise to pay in each note was a promise to pay dollars, and the law in existence said what a dollar was and how much gold or silver it should contain.

Almost all nations of the world during great wars have been compelled to issue in some shape or other their obligations to circulate as money, generally to the practical exclusion of a metallic currency while in circulation.

The French government issued the assignats, which became worthless and were never paid. Our own Government during the revolutionary war issued the continental currency, redeemable in Spanish milled dollars, and which was never redeemed. So when it was decided to issue the greenbacks great doubt was expressed all over the country as to the wisdom of the step, by the democracy, who denounced the party then having control of the Government for violating the Constitution.

It was contended on the other hand that in time of war the power of the Government for its preservation was only limited by necessity; and for the purpose of enabling the Government to pay out and use those notes to a good advantage it was further provided by the original act that they should be fundable upon demand into a six per cent. interest-bearing United States bond, and should be receivable as coin at their par value in payment for any loans that might thereafter be negotiated by the Secretary of the Treasury; and this same act provided, section 2, for the issue of \$500,000,000 6 per cent. bonds, bearing interest in coin.

To give the greenback further value section 2 of this same act provided that all stocks, bonds, and other securities held within the United States shall be exempt from taxation by or under State authority. Indeed, I may say that all the bonds and obligations of the Government issued in payment for loans, including the greenbacks issued under different acts of Congress, were by law made non-taxable by State or municipal authorities, and are not taxable to-day.

Section 5 of the same act, authorizing the first issue of greenbacks, provided that all duties should be paid in coin or notes payable on demand, which were coin-notes, and that the proceeds should be applied—

First. To the payment in coin of the interest on the bonds and notes of the United States.



Second. To the payment or purchase of 1 per cent. of all the debt of the United States, to be set apart as a sinking fund.

Third. The residue to be paid into the Treasury.

OTHER ACTS OF CONGRESS DURING THE WAR AUTHORIZING THE ISSUE OF NATIONAL OBLIGATIONS.

The act of July 11, 1862, authorized a further issue of United States notes or greenbacks to the extent of \$150,000,000, with similar provisions as the act of February 25, 1862.

The act of March, 1863, authorized the issuing of \$900,000,000 6 per cent. interest-bearing bonds of the United States, redeemable at the pleasure of the Government in not less than ten years nor more than forty years, payable in coin, giving the Secretary of the Treasury the power to issue part of same, not exceeding \$400,000,000, in Treasury notes, payable at the pleasure of the Government not exceeding three years from date, with 6 per cent. interest, authorizing the exchange of either the bonds or Treasury notes for greenbacks; also authorizing an issue as a part thereof of \$150,000,000 of United States notes, and limiting the term for exchange of all United States notes for bonds to on or before the 1st day of July, 1863.

The act of June 30, 1864, authorized the issue of \$400,000,000 bonds to run not less than five nor more than thirty years, at 6 per cent. interest in coin.

Section 2 gave the Secretary of the Treasury the power to issue \$200,000,000 of this amount in Treasury notes, payable not exceeding three years from date, with 7 3-10 per cent. interest, and to convert said Treasury notes into bonds, and to exchange these interest-bearing Treasury notes for United States notes or greenbacks issued under prior acts of Congress; and the following proviso is attached to said second section:

*Provided*, That the total amount of bonds and Treasury notes authorized by the first and second sections of this act shall not exceed \$400,000,000, in addition to the amounts heretofore issued; nor shall the total amount of United States notes, issued or to be issued, ever exceed \$400,000,000, and such additional sum, not exceeding \$50,000,000, as may be temporarily required for the redemption of temporary loan.

While it was doubtful how the war would result and whether we were to have a Government or not, the obligations of the Government, both interest and non-interest bearing, decreased in value; for the element of uncertainty as to their payment or, if paid, when they would be paid, produced the inevitable result upon their price.

All these acts were passed during the continuance of the war, and constitute the contract between the Government on the one hand and the holders of the obligations of the Government on the other hand, and which good faith requires the Government to keep and with which the creditor must be satisfied.

The nature of the obligation resting upon the Government under these acts is tersely set forth in the report of the Secretary of the Treasury to Congress as follows:

But the purpose and meaning of the acts in question are not left open for forensic discussion having been authoritatively settled by the unanimous opinion of the highest judicial tribunal known to our Constitution. As soon after the termination of the war as 1868, it was argued before the Supreme Court that the legal-tender notes of the United States were issued as money, a substitute for metallic currency, and that, having been made legal tender in payment of all debts, including (with certain exceptions) the Government's own, of course, when presented for payment, if similar notes, being legal tender, were offered in exchange for them, the debt would be discharged by a delivery of new notes of the same kind, and so on *ad infinitum*. To this argument the court replied:

"Apart from the quality of legal tender impressed upon them by acts of Congress, of which we now say nothing, their circulation as currency depends upon the extent to which they are received in payment, on the quantity in circulation, and on the credit given to the promises they bear. In other respects they resemble the bank notes formerly issued as currency."

"But, on the other hand, it is equally clear that these notes are obligations of the United States. Their name imports obligation. Every one of them expresses upon its face an engagement of the nation to pay the bearer a certain sum. The dollar note is an engagement to pay a dollar, and the dollar intended is the coin dollar of the United States—a certain quantity in weight and fineness of gold or silver, authenticated as such by the stamp of the Government."

This authoritative declaration of the Supreme Court defines clearly and precisely the meaning and intent of Congress in the acts which authorized the issue, and should be accepted as conclusive of the obligation and duty of the Government to provide for the payment in specie of all such issues.

Nor is this all. Subsequent to this decision, and for the purpose of putting a quietus upon the mischievous discussion of the subject, Congress, on the 18th day of March, 1869, declared by public act that "the United States solemnly pledges its faith to make provision at the earliest practicable period for the redemption of the United States notes in coin."

I have referred to these acts of Congress and the decision of the Supreme Court of the United States for the reason that on the part of certain gentlemen upon this floor and a great many throughout the country there appears to be a misapprehension as to what the contract is between the Government on the one hand and its creditors upon the other; and from the above references to the law, as well as a careful examination of the text of the different acts, I am prepared to state—

First. That there is not one dollar of the indebtedness of the United States, interest-bearing or non-interest-bearing bond or greenback, but what the Government has the right, legal, equitable, and moral, under the contract to pay in coin, and that coin is gold or the standard silver dollar of the fineness and weight provided by law at the time the indebtedness was made.

Second. It further appears that the faith of the Government is pledged to collect duties on imports in coin (either gold or silver, or both) for the payment of interest upon the public debt.

Third. That the faith of the Government is pledged, until the redemption of the greenbacks, never to issue more than \$400,000,000 of the same.

Having shown the right under the contract to pay our debt in gold and silver, or either, let us inquire briefly as to the policy of paying our debts in silver as well as in gold.

THE POLICY OF PAYMENT OF OUR DEBT IN SILVER AS WELL AS GOLD.

A discussion of this branch of the subject will make necessary an inquiry as to the amount of gold and silver in the world. The office of money and the effect of making it plenty or scarce, cheap or dear, upon production and commerce, and more particularly the effect of making it cheap or dear upon contracts in existence, and after those contracts are made to pay "dollars," having reference to the dollar established by law at the time the contract was made; and first as to the amount of silver and gold in existence and the production of the same.

The statisticians and political economists in the world agree substantially, after careful consideration of the subject, in estimating for use in the arts and for coin—

Gold at .....	\$5,800,000,000
Silver at .....	5,600,000,000
Making a total of .....	11,400,000,000

About one-half of this amount (\$5,700,000,000) is coin, of which there is in use in the commercial world—

Gold coin .....	\$2,600,000,000
Silver coin .....	1,000,000,000

I mean by the commercial world those countries other than the oriental, while the amount in circulation in the eastern or oriental countries is estimated at (mostly silver) \$2,100,000,000.

As to the amount of gold and silver in the world, our efficient statistician at the head of the Bureau of Statistics, Mr. Edward Young, substantially concurs with the above estimate, as shown by a letter which he writes me, as follows:

BUREAU OF STATISTICS, July 12, 1876.

The aggregate gold product of the world for the past twenty-seven years, 1849 to 1875, both inclusive, is estimated at .....	\$3,761,700,000
The aggregate silver product of the world for the same period is estimated at .....	1,573,900,000

Making the aggregate production of precious metals for the twenty-seven years, 1849 to 1875 .....	4,335,600,000
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The present stock of precious metals for use in the world (for coinage and the arts) has been estimated by trustworthy investigators at from \$11,000,000,000 to \$13,000,000,000—say a mean of \$12,000,000,000.

EDWARD YOUNG,  
Chief of Bureau.

Hon. J. G. CANNON, M. C.

As to the production of gold and silver annually from 1852 to 1875, inclusive, I give a tabular statement as reprinted from the *Paris Journal des Economistes* for March, and which statement agrees substantially with information from other sources. It will be observed the production of gold is decreasing:

Year.	Gold.	Silver.	Total gold and silver.
1852 .....	\$182,500,000	\$40,500,000	\$223,000,000
1853 .....	155,000,000	40,500,000	195,500,000
1854 .....	127,000,000	40,500,000	167,500,000
1855 .....	135,000,000	40,500,000	175,500,000
1856 .....	147,500,000	40,500,000	188,000,000
1857 .....	133,000,000	40,500,000	173,500,000
1858 .....	124,500,000	40,500,000	165,000,000
1859 .....	124,500,000	40,500,000	165,000,000
1860 .....	119,000,000	40,500,000	159,500,000
1861 .....	114,000,000	42,500,000	156,500,000
1862 .....	107,500,000	45,000,000	152,500,000
1863 .....	107,000,000	49,000,000	156,000,000
1864 .....	113,000,000	51,500,000	164,500,000
1865 .....	130,000,000	52,000,000	182,000,000
1866 .....	121,000,000	50,500,000	171,500,000
1867 .....	116,000,000	54,000,000	170,000,000
1868 .....	130,000,000	50,000,000	180,000,000
1869 .....	121,000,000	47,500,000	168,500,000
1870 .....	116,000,000	51,500,000	167,500,000
1871 .....	116,500,000	61,000,000	177,500,000
1872 .....	101,500,000	65,000,000	166,500,000
1873 .....	103,500,000	70,000,000	173,500,000
1874 .....	90,500,000	71,500,000	162,000,000
1875 .....	97,500,000	62,000,000	159,500,000

MONEY—WHAT IS IT?

Money has been defined by many political economists, and it is somewhat strange that people should wrangle about the definition of that article which moves the world and is at the bottom of all enterprise and labor, and for which we toil from the cradle to the grave. Suffice it to say, as defined by economists and which definition is approved by common sense—

It is an instrument designed equitably to measure the value of commodities and services with the view to effect their exchange either at present or in the future and throughout the world.

If all nations, individuals, and corporations were out of debt, then it would make but little difference whether a large or small amount

of coin was called a dollar. To illustrate: It would make but little difference whether a dime or a dollar was the representative used to measure the value and effect the exchange of a pair of shoes made in Massachusetts for a bushel of corn raised in Kansas, the shoes passing from the maker in Massachusetts through the dealer in Kansas to the person who wears them, and the corn passing from the farmer who produced it in Kansas through the dealer in Massachusetts to the consumer; but in the development, production, and commerce of any country, corporations, individuals, and governments make ventures, contract debts, and generally in the aggregate follow those manifold pursuits that tend to the well-being of each individual and result in the happiness, strength, and power of the whole as a people. From these transactions the relation of debtor and creditor is formed, and the commodity or other capital advanced by the creditor and received by the debtor and agreed to be returned is measured by dollars.

The farmer in Illinois who promises to pay the lumberman of Michigan \$1,000 for lumber has no intention of going to Nevada or California and of actually mining the amount of silver or gold, having it coined, necessary to pay that \$1,000, but he expects to grow the corn and wheat and grass or cattle and hogs necessary to exchange for the thousand dollars with which to pay the lumberman; hence it is necessary that the dollar or the standard by which values are measured should be maintained by Government and should be in justice to everybody as stable and certain as possible; and as we trade all over the world, this same dollar or standard of value should be as nearly universal as possible, and the creditor who has the obligation of the debtor to pay him a thousand dollars in coin, that coin at the time of the contract being fixed, as a standard of value, at 25.8 grains of standard gold to the dollar or 412½ grains of standard silver to the dollar. Who insists when payment is made that it should be in dollars, weighing 50 grains of gold instead of 25, or dollars weighing 1,000 grains of silver instead of 412½ grains, or would say let us not have silver as a standard of value at all, pay me in gold dollars, and thereby silver as compared with gold is not as valuable as when the debt was contracted, would be attempting to act unfairly and by artifice to get more than he was to have; or the debtor who would say let us make a dollar out of 12 grains of gold instead of 25, or out of 200 grains of silver instead of 412½ grains, or would insist on making a dollar out of brass, which should be a legal tender in addition to the gold and silver and of not half the value of gold and silver dollars, and insist on paying his debt in brass dollars, would be acting unfairly and seeking by artifice to pay less than he agreed.

What has been done in reference to the debts the Government owes and that individuals owe, and the reason for action of the parties?

I have already called attention to the fact that at the time our debt was contracted a certain amount of both gold and silver constituted a dollar. It is estimated that \$1,000,000,000 of this debt is held by people of foreign nations, most of it in Great Britain and Germany. Silver is not used in Great Britain as money except for subsidiary coin, and since the Franco-Prussian war and within the last three years Germany, Denmark, Sweden, and Norway have ceased to use silver as standard money and have adopted the use of gold as a standard, and Dr. Linderman, the Director of the Mint, estimates the amount of silver that is being retired from the circulation in Germany and thrown upon the markets of the world at \$300,000,000, and about the same amount in the other nations.

And, strange to say, the United States being the debtor nation, having the right to pay that debt in gold and silver of a certain fineness, with her vast mineral wealth, especially of silver, that is being developed by the labor, pluck, and energy of Americans under the lead of science and experience, has unwittingly assented to the demonetization of silver.

This legislation was had in the Forty-second Congress, February 12, 1873, by a bill to regulate the mints of the United States, and practically abolished silver as money by failing to provide for the coinage of the silver dollar. It was not discussed, as shown by the RECORD, and neither members of Congress nor the people understood the scope of the legislation.

The result is that gold has become the only standard by which values are measured, silver ceasing to be used as money, and gold as compared with silver has become more valuable, and silver as compared with gold has become less valuable, so that if we actually pay in gold, not having the privilege to pay silver, we have decreased our ability to pay by at least from 20 to 30 per cent.; in other words, we decrease our ability to pay by the amount of silver we have to pay with, it no longer being available to us to pay in discharge of our indebtedness the same as gold.

But the objection may be urged that we have not a large amount of silver with which to pay our debts, and therefore it cannot make much difference whether silver is demonetized or not. A complete answer to that is, first, that so far as we have silver or can mine it or buy it with our commodities, we have the right to use it in payment of our debts according to the contract; and, for that matter, the same thing may be said of gold, that we have not a large amount of it in comparison with our debt with which to pay. But a more complete answer to such objection is that practically we pay the greater portion of our debts in cotton, corn, wheat, meats, and such other commodities as we sell or export, and that the value in dollars of what we sell is measured by gold if it is the only standard of value, or by gold and silver if they both constitute the standard; so if you

decrease the amount of the standard by which the values of commodities are to be measured from 20 to 30 per cent. by demonetizing silver, the necessary consequence is the gold, in measuring the value of cotton, corn, &c., has the same office to perform that the gold and silver both performed, and the creditor gains while the debtor loses. The debtor is bound to pay the number of dollars he contracted to pay, but the dollar is more valuable than it was when he made the contract. Dr. Linderman, Director of the Mint, fully understood this, for in his report for the year 1873, page 21, he says:

The gradual adoption of the gold standard, and consequent demonetization of silver, will of course be followed by an increase in the value of gold, or what is the same thing, a decrease in the price of articles measured by it. Indeed it is quite certain that this effect is already perceptible in some portions of Europe. Be that as it may, however, it is safe to assume that Germany will soon have substituted three hundred millions of gold for silver heretofore used as standard money, and that Denmark, Sweden, and Norway will require nearly as much more in consequence of changing their standard from silver to gold. Now, add to the foregoing the requirements of France and the United States in the near future, and it will be readily understood that gold must appreciate in value.

It is true that the mines of the world produce annually about one hundred millions of gold; but in considering this as a stock to be drawn upon for coinage, it must be remembered that the consumption of gold in the arts has largely increased during the last twenty-three years, and now approximates to about twenty-five millions per annum.

#### SOME OF THE EFFECTS OF DEMONETIZING SILVER.

At the time our debt was contracted the standard silver dollar as compared with the gold dollar was of a little greater value, and so continued until after silver was demonetized. Since 1873, however, gold as compared with silver has grown more valuable; and to show how much more valuable, take the price of silver in gold in Liverpool on the 10th day of July, (this month,) and the price of a greenback dollar in gold, the gold being at 12 per cent. premium, counting gold as the unit of value at par:

One dollar in gold .....	\$1 00
The value of the greenback in gold is .....	89
The value of the standard silver dollar (412½ grains) is .....	79

And let me here say that we have just as much right under our contract to call silver the unit or standard of value and par, and to say that the greenback is above par by 11 per cent. and gold above par by 24 per cent. as advocates of the gold standard have to claim that gold should be the unit or standard of value, and that greenbacks are below par and silver is below par.

Notice, the greenback dollar is worth over 11 per cent. more than the silver dollar. The reason is that, silver being demonetized and gold become more valuable and silver less valuable, the greenback is payable in gold, which, becoming more valuable, of course makes the greenback, as well as all the other securities of the United States, more valuable and harder to pay.

Now, then, let us remonetize silver. There is, as before shown, about as much silver in value in the world as there is gold. The result will be that silver, as compared with gold, will grow more valuable; gold, as compared with silver, will grow less valuable, and they will meet, each traveling half way, at about the value of the greenback; and thus we would have silver at par with gold, gold at par with silver, and the greenback at par with gold and silver.

But the objection is made that the United States may remonetize silver and that Germany and the other nations will not. In answer, I say so much the greater necessity for the United States remonetizing silver; that is the only way we can get even, for by adopting the gold standard only they have made the dollar more valuable than it was when they bought our bonds and loaned us their capital; and silver ceasing to be used as money, silver coin is thrown upon the market, and has depreciated as compared with gold. Now, if we remonetize silver that will create a demand for it here, and it will flow into this country in exchange for our products, and we will in turn use it in paying our debts in common with gold as between each other, and in paying the \$50,000,000 to \$70,000,000 of annual interest upon our foreign debt.

Mr. Speaker, I have very great respect for the gentleman from Ohio, [Mr. GARFIELD,] and also many gentlemen on the other side of the House who oppose the legislation spoken of, but I do not agree with him in denouncing the proposition to remonetize silver and paying our debts with it as swindling, and his stigmatizing silver with the term "cheap and nasty." Sir, it has with gold been used as money for ages past, and will be, in my opinion, for ages to come. It is in common with gold the money of the Constitution, and whether it has grown less valuable or gold has grown more valuable is not the question. By the letter and spirit of the contract we have the right to pay every dollar of the indebtedness of the United States in standard silver dollars weighing 412½ grains, nine-tenths of it fine silver and one-tenth of it alloy as well as in gold, and I should like to know what right the gentleman has to denounce as swindling a proposition to do what we contracted to do. I suppose if gold were cheaper than silver then the gentleman would say it is swindling to pay in gold.

If the gentleman owed me \$10,000 and by the contract had the option to pay it either in gold dollars or silver dollars, and had to be industrious and economize to pay either, does he claim that it would be swindling to pay me in silver dollars because they were the cheapest? If the gentleman did business in that way on his private account, before six months had elapsed any court would appoint a conservator to take charge of his property and manage his estate.

Sir, it is the only practicable route that I can see to a resumption



of the business of the country upon the basis of specie; it fills the measure of the contract from every stand-point; it enables us to keep the public faith and honor; it stops the rapacity of the creditor on the one hand, who unfairly seeks to increase the value of his credits by having the contract changed in his favor, and it stops the power of the politician on the other hand, who seeks to avail himself of the present depression and hard times to ride into power under the promise to set the printing-presses in motion and make money and give it value without labor by mere force of legislative enactment.

Mr. Speaker, it is urged that it is not practicable to coin large amounts of the standard silver dollar soon enough and fast enough for use. This objection is not well taken. The Director of the Mint informs me that the mints can turn out subsidiary coins in addition to required gold coin and minor coinage \$2,000,000 monthly, and an equal amount of silver dollars monthly, and that with reasonable appropriations the capacity of the mints can be increased. I further want to state that it is not necessary for large payments, to have silver or gold coined in large amounts, for the act of 1869, which was merely declaratory of the contracts in regard to the public indebtedness and was also the foundation for refunding a large part of it at a lower rate of interest, is as follows:

The faith of the United States is solemnly pledged to the payment in coin or its equivalent of all the obligations of the United States not bearing interest, known as United States notes, and of all the interest-bearing obligations of the United States, except in cases where the law authorizing the issue of any such obligation has expressly provided that the same may be paid in lawful money or other currency than gold and silver.

What is the equivalent of coin? I answer, gold and silver bullion of the fineness of coin; and for large payments this could be tested and used in large amounts. The word "equivalent" in the act could mean nothing more or less than this. Then this gold and silver coin or bullion would be receivable for all dues payable to the United States, including duties upon imports; and for convenience the bullion could be deposited in the Treasury and coin certificates issued redeemable in the bullion.

#### THE RESUMPTION ACT.

Mr. Speaker, I want to say a word with reference to that clause of the so-called resumption act which fixes the 1st day of January, 1879, to redeem the Treasury notes on demand in coin. Experience, especially in matters of finance, is better than theory, and I am satisfied from observation that part of the act should be repealed and have so voted constantly when that proposition was pending before the House. I believe it is admitted by all that it is a mere declaration without any vital force to make it practicable, and tends with other causes to deter men of enterprise from embarking in the various industries of the country, for the reason that they are doubtful as to what legislation will be had touching same or what will be its effect.

Those who oppose its repeal say that they are willing it should be repealed and believe it should be, but want something in its place that looks toward resumption, or, in other words, that they will not take a step backward. To such I submit in all candor and fairness that the passage of a bill remonetizing silver, with the influx of silver necessarily resulting therefrom, would equalize the value of gold and silver and greenbacks, then the victory would be won; for if we had the power to exchange greenbacks on demand for either gold or silver we would not voluntarily do so longer than until the novelty wore away, for, with the Frenchman who rushed to the bank that was being run upon and demanded his money, when it was counted to him, we would exclaim: "If you have the money, we don't want it. If you have it not, we must have it."

Mr. Speaker, I am in the minority in the House. I have been trying for months to get the floor to present my views upon this question and urge legislation touching the same. I suppose I have no right to complain at not being able to do so as I am not on the Banking and Currency or Ways and Means Committee, which have charge of the presentation of matters of this kind to the House; and with three hundred members all clamoring for the floor one's turn does not come often when he desires to be heard upon some question not coming from his committee. But I want to say to the other side of the House that one-tenth part of the time given to the maturity and consideration of this measure that is used in the effort to make capital for the fall campaign will suffice to perfect the details and pass the bill.

There is another reason why this legislation should be had at once. It would settle the money question permanently. If there is any one thing more than another that paralyzes business it is the power Congress has, with our unsettled condition of finance, to tinker with the currency; it sets the theorist, the politician, and the speculator to work proposing all manner of schemes to better our condition, nine-tenths of which are purely impracticable or thoroughly selfish; the producer and the trader are kept in a state of feverish excitement, doubtful as to what bad results may follow from unwise legislation. There is but one way out of it: restore the money of the Constitution by remonetizing silver; give the Government and each individual the chance to comply with its or his contract; nothing more and nothing less. Then the laws governing demand and supply will regulate the money and the credit of the country as they regulate the production of corn and wheat; and under the operation of that primal law imposed upon man by the Creator, "By the sweat of thy face shalt thou eat bread," each individual, under stable laws and stable money, will work out his own salvation, and as a people we enter upon a secure and stable era of prosperity.

State of the Union.

## SPEECH OF HON. W. P. CALDWELL,

OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

June 29, 1876.

The House being as in Committee of the Whole on the state of the Union—

Mr. CALDWELL, of Tennessee, said:

Mr. SPEAKER: The House being in Committee of the Whole on the state of the Union, my remarks to-day will be addressed to several questions having a relation to that most comprehensive subject.

In the century now drawing to a close the population of the country has increased from two and one-half to forty-five millions. Its area has been extended from eight hundred thousand square miles, as it was at the period of the Revolution, to three and one-half millions of square miles, which it reached at the date of the purchase of Alaska in 1867,\* so that to-day it is twice that of the Roman Empire—as estimated by Gibbon—at the period of its most extended dominion. The vast territory protected by its flag—on the East with an Atlantic front facing Europe and on the West with a Pacific coast looking on Asia—is as broad as the continent, and has more than realized the ideal of the sanguine men of the Revolution. In the troublous times that foreshadowed the breach with the mother-country, the impulsive Otis said in a moment of exultation that he seemed to himself hear "the prophetic strains of the sibyls chanting the spring-time of a great empire."

As the celestial light of the gospel—

Said Nathaniel Ames more than a century ago—

was directed here by the finger of God, it will finally drive the long, long night of heathenish darkness from America. Arts and sciences will change the face of nature in their tour hence over the Appalachian Mountains to the western ocean, and as they march through the vast desert the residence of wild beasts will be broken up and their obscene howl hushed forever. \* \* \* The rocks will disclose their hidden gems and the inestimable treasures of gold and silver be broken up. Huge mountains of iron-ore are already discovered, and vast stores are reserved for future generations. This metal, more useful than gold and silver, will employ millions of hands, not only to form the martial sword and peaceful share alternately, but an infinity of utensils improved in the exercise of art and handicraft among men. Nature through all her works has stamped authority on this law, that all its matters shall be improved to its best purposes. Shall not then those vast quarries that teem with mechanic stone—those for structure be piled into great cities, and those for sculpture be used to perpetuate the honor of renowned heroes—even those who shall now save their country? O, ye unborn inhabitants of America, when your eyes behold the sun after he has rolled the season round for two or three centuries more know that in A. D. 1736 we dreamed of your times!

This remarkable prediction has by more than a century anticipated its almost literal fulfillment. "The vast desert" that then awaited in the order of Providence the magic influence of an advancing race, imbued with the impulse of a new civilization, is now the seat of empire. The thirteen feeble colonies, rising through an ordeal of fire first to the dignity of free and independent States and then to rank among the nations as a Union of States that year after year expanded itself for an enlarging membership, advancing through struggles, reverses, dissensions, and triumphs, present to-day the spectacle of a respected and powerful Government wielding jurisdiction over thirty-seven sovereignties. Here are so many peoples differing in local laws and institutions, but still possessing affinities of race, language, religion, and ideas to be blended together and molded by a wise and prudent statesmanship into the ground work of a triumphant and enduring nationality.

As the country has grown in territory, population, and wealth, the difficulty and expense of the administration of its government have correspondingly increased.

The manner of the administration and disbursement of the revenues is a fair criterion of the political morals of the men or party in whose hands may be lodged for the time being the powers of Government. "When the wicked rule the people mourn." If extravagant and corrupt administration of the revenues be long tolerated in republican government, it may be safely assumed that corruption has reached and tainted the fountain of power. Hence the most encouraging of all the signs in the history of the last few years was afforded by the elections of 1874 that so completely revolutionized this body, to which, more than to any other branch of Government, responsibility attaches for wasteful and extravagant use of the public revenues. After making adequate allowance for the necessity that existed for increased burdens arising out of the greatly changed condition of the country, the impression still existed that too much money was expended in the administration of Government. This impression ripened into conviction, which found an expression that could not be

\*The area of the United States was estimated in 1783 at 820,680 square miles; in 1854, at 2,936,166; in 1868, at about 3,466,000. The following are the statistics of the area:

	Square miles.
Original limits of the thirteen States .....	820,680
Louisiana, purchased of France in 1803, for \$15,000,000 .....	879,573
Florida, purchased of Spain in 1829, for \$3,000,000 .....	66,860
Territory confirmed by Oregon treaty in 1842 and 1846 .....	308,028
Texas annexed in 1846, (Texas debt.) \$7,500,000 .....	318,000
New Mexico and California in 1847, (cost of war.) \$15,000,000 .....	523,955
Arizona, purchased of Mexico in 1854, for \$10,000,000 .....	30,000
Alaska, purchased of Russia in 1867, for \$7,200,000 .....	500,000
	3,466,146

—Frothingham's Rise of the Republic, page 3.

mistaken in the verdict of that year. No reasonable construction could be put upon that utterance that would relieve it of the character of an emphatic demand for retrenchment and reform—to use the language of Mr. Jefferson—"for economy in the public expenditures that labor may be lightly burdened."

## REDUCTION OF EXPENDITURES.

I beg your attention briefly to the response which has been returned to this imperative demand by the democratic majority in this Hall. The committee presided over by the distinguished gentleman from Pennsylvania, and which is especially charged with the matter of appropriations, has devoted itself with untiring zeal to the performance of its arduous labors, and the results, notwithstanding the many obstacles it had to encounter, will no doubt meet the public approval and be construed as an assurance that there is a determination to bring back the Government to the old-time policy of honesty, economy, and purity in the administration of its finances. These results are embodied in a comparative statement, kindly furnished me by the clerk of the Committee on Appropriations, which shows that the reductions already made by bills that have passed the House and those yet to be made by pending bills amount to nearly forty millions! And thus the democratic majority in this Hall propose to show that the Government can be administered at 25 per cent. less expense than is imposed under republican rule upon the over-burdened tax-payers of the country. The issue of this effort is now and must be for some weeks uncertain, as it is impossible to foresee what action may be taken upon it at the other end of this Capitol. If we may judge from the resistance it has met from the republican side of this Hall while under consideration here, its fate may be considered as yet in great doubt. The country, however, will know where to attach responsibility for the defeat of a policy for which it has so unmistakably pronounced.

Mr. Speaker, absurd and ridiculous as the imputation may be, gentlemen on the other side of this Chamber have not hesitated to intimate that many of those supporting these reductions have been controlled by the traitorous purpose to embarrass and cripple the public service. I do not hesitate to say that my faith in the capacity of the people for self-government would be shaken, aye, destroyed, if I could believe the public mind ready for an imposition so gross, so monstrous, and so insulting. It is a malignant and wicked aspersion, the motive of which cannot be mistaken, for it springs from the same impulse that has prompted more than one effort upon this floor to keep alive and fan into flame, if possible, embers that every patriot should wish were extinguished forever.

## OUR DOMESTIC RELATIONS.

I believe, sir, that thoughtful and well-meaning men of all parties recognize a necessity for a restoration of confidence and cordial relations between the once belligerent sections. The wounds of the nation are not fully healed, and a policy tending to their complete cicatrization is demanded by every consideration of material prosperity and permanent national integrity.

A wise statesmanship should guard well against the deplorable consequences of a deep-seated chronic hostility, that might grow out of the continued and persistent partisan agitation of unhappy sectional issues. It should wisely avail itself of the benign influences of this centennial era to consolidate the true union sentiment that exists in all sections, to the end that the Government may be in fact what it is in theory, a union of States and a nation of people, having one hope, one sentiment, and one destiny. But what can be expected in this direction of a party that, springing from a great sectional controversy, seems to be able to live only in its memories; that appeals again and again to the unmanly prejudices and wicked passions that were born of that unhappy strife? No impartial man who has given attention to public affairs can question the fairness of this characterization of that party. Its record made on this floor during this session vindicates at once the truth and justness of the charge; and to it for a little while I invite the attention of the House.

The first debate, as will be remembered by the House, of a partisan character that occurred here after organization was upon the bill of the gentleman from Pennsylvania [Mr. RANDALL] granting universal amnesty. The country has not so soon forgotten the manner in which that proposition was received by the other side, marked as it was by an unusual degree of bitterness, prejudice, and denunciation on the part of some gentlemen who participated in the debate. The effort to manufacture out of the question political capital at the expense of the quiet and harmony of the country was too apparent to be mistaken. The cruelties of Alva, the horrors of Bartholomew, the terrors of the Spanish inquisition were not invoked without a purpose. An advantage to a sinking party or to a rising candidate was the stake, and the game was boldly played at the hazard of the public peace. It will not be forgotten that the proposition for amnesty failing of a two-thirds vote was defeated, but it may not be so well remembered that in that debate the motive of the opposition was exposed and its inconsistency palpably shown by the record which they themselves had made upon the same question in the Forty-third Congress, to which your attention is invited. I read from the CONGRESSIONAL RECORD, Forty-third Congress:

## GENERAL AMNESTY.

Mr. MAYNARD. I am instructed by the Committee on the Rules, acting upon a resolution submitted to them the other day, to report the bill which I send to the desk. It has met the unanimous approval of the committee, and when it has been read I

will, unless some gentleman wishes to ask questions or to make opposition to it, move the previous question.

Mr. LAWRENCE. Would not that admit Jeff. Davis to a seat on this floor?

Several MEMBERS. Certainly.

The question of order was raised whether the committee had the right at the time to report the bill, and it was declared by the Chair that it had not.

Mr. MAYNARD. Then I move to suspend the rules so as to allow the committee to report this bill and to pass it. And in answer to the question propounded by the gentleman from Ohio [Mr. LAWRENCE], I tell him frankly that this bill will, if enacted, admit the president of the southern confederacy just as the vice-president has been already admitted to a seat in either house of Congress, provided the people where he lives see proper to send him here. It is general amnesty as recommended by the President; and it also repeals what is called the test oath, substituting for it the modified oath that we have all heard so often.

Mr. BUTLER, of Massachusetts. I do not object to the bill if it has been considered and reported by a committee.

Mr. MAYNARD. It is reported by the Committee on the Rules unanimously.

Mr. BUTLER, of Massachusetts. All right.

The SPEAKER. The bill would require a two-thirds vote to pass it.

Mr. MAYNARD. I move that the rules be suspended and the bill passed.

Mr. COX. Is there any objection to passing it unanimously? The President recommends amnesty, and let us all wind up this foolish business of taking the test oath.

The SPEAKER. The gentleman from Ohio [Mr. LAWRENCE] objects, and that is sufficient.

The question was taken on Mr. Maynard's motion; and on a division there were—ayes 141, noes 229.

So (two-thirds voting in favor thereof) the rules were suspended and the bill (H. R. No. 472) was passed.

This bill found its grave in the Senate. It is worthy of remark that it had its origin in the Committee on the Rules, and was reported to the House by unanimous consent of that committee, Mr. Maynard acting as chairman, and then contemplating what he very soon thereafter made, a race for governor of the State of Tennessee.

How can the consistency of the republican party upon this subject be successfully vindicated? How is it that universal amnesty is a proper thing to be granted by a republican House and resisted by that party when offered by a democratic House? The motive of the leaders cannot be disguised nor mistaken. The exigencies of party were imperative. It demanded to be re-organized and re-animated with the spirit of the times that gave it birth. The citizen soldiery, grown weary of internal strife, were not to be permitted to catch the spirit of the centennial year and forget the unhappy dissensions of the past. Their intelligence was to be insulted and their manhood degraded by having an appeal like this addressed to them, "Behold, ye who fought for the integrity of the Government, the first act of a democratic House is to pardon and amnesty the leader of the rebellion and the author of the unspeakable horrors of its prison life. It is true that in the last House of Representatives we did the same thing, and it was a very proper thing for us to do, because to the saints all things are saintly; but amnesty from a democratic Congress is an insult to you and to the memory of your dead comrades."

Such is the record of the republican party on the subject of amnesty. Further comment upon it is deemed unnecessary.

Members upon this floor will not soon forget the debate that occurred upon the proposition to restore the veterans of the war of 1812 to the pension-rolls and allow them arrearages that had accrued during the long period of disability, a disability fixed upon them for participation in or sympathy with the rebellion. The proposition, emanating from a committee of this House, was stubbornly resisted and in the end defeated by the republican side of the Hall. It was in vain that we appealed to their action on a former occasion, in the Forty-third Congress, in support of the propriety and justice of the proposition. An opportunity was presented, as they thought, to manufacture a little political capital out of the question by placing the democracy before the country upon one side of the war and themselves upon the other; and they attempt to avail themselves of it though at the expense of their consistency. By an almost solid republican vote the arrearages to the veterans were stricken out. Contrast now their action upon the same measure when before the Forty-third Congress, as the same appears on page 2109 of the RECORD of that Congress?

Mr. Sprague, from the Committee on Revolutionary Pensions and the War of 1812, reported back a bill to amend the act entitled "An Act granting pensions to certain soldiers and sailors of the war of 1812 and the widows of the deceased soldiers," approved February 14, 1871, and to restore to the pension-rolls those persons whose names were stricken therefrom in consequence of disloyalty, with the recommendation that it do pass.

During its discussion Mr. Butler, of Massachusetts, offered an amendment, which was adopted, striking out the proviso to the fifth section of the bill; which was as follows:

Provided, That the restoration and pension contemplated herein shall take effect from the passage of this act.

Mr. Butler said he was opposed to confiscating the pensions of these soldiers who had been stricken from the rolls on account of disloyalty. While the war was going on, while the Union was still unrestored, it was a very proper thing to cut off the pensions of all those who were disloyal; but he could not see why the pensions of those men should be confiscated by the Government while no other property is confiscated. The proviso was stricken out without even a division, and the bill passed.

This "going back" at this session upon its record in the last Congress upon this question indicates that while amnesty and oblivion may bring healing to the country, they do in the opinion of its leaders bring death to the republican party. These leaders recognize



that the vitality of their organization depends upon the maintenance of a rigid sectionalism, in which element only can it "live, move, and have its being;" and they thus lead it back to the war and its unhappy memories in the wicked hope that at those bitter waters it may happily find a renewal of its waning life.

"CONFEDERATE HOUSE."

As indicating this general purpose, I may allude to the persistent designation of this body by the republican press as the "confederate House of Representatives." This catch-word, which is to do its miserable service for the opposition in the approaching campaign, is a reminder to the country that in these seats are some who were the partisans of the "lost cause," and that in the organization of the House a few confederate soldiers are provided with employment, from which during ten years of peace they had been excluded. No complaint is made on any hand that the last resting-place of the dead confederate soldier is unmarked by monumental marble reared at the expense of a grateful Government. No complaint is or will ever be made on behalf of him who survived that service with lost or mutilated limb; that no generous government supplies him with the substitutes of the highest art, and gives him a place for life on a pension-list that entails an annual burden of \$30,000,000 upon the resources of the country. Such a complaint would be absurd. But was it either absurd or a delusion in him to suppose that after ten years of loyal submission to the authority of the Government, during which he had borne uncomplainingly his proportion of the vast burden imposed for the benefit of his successful competitor in arms, he was so far restored to citizenship and equal rights as to be entitled to hold the miserable post of messenger or door-keeper about this Hall? It is painful, sir, to see manifestations of a sentiment any where, either North or South, demanding the perpetual proscription of men for following with manly faith to their logical results political doctrines that received the sanction of many honored names; doctrines that may be said to have had for their greatest master, if not their author, a statesman whose eminent private and public virtues made him the peer of the foremost men of his time.

The issue which Mr. Calhoun presented and pressed with so much ability in his time at last found its solution in the highest tribunal upon earth, the forum of kings, the only tribunal having full jurisdiction between nations and fragments of nations. There it was adjudicated that to any State or combination of States there is no way of escape from the authority of this Government except through the gate of forcible and successful revolution; that these States are associated in a bond of union that is indissoluble except by the consent of the people; that the Constitution and laws passed in pursuance thereof are paramount; that the Government can vindicate its authority by force, and is itself the judge of the nature and extent of its powers. So that whatever evil may have been entailed by the gigantic struggle, that evil was not unmixed, for it was attended by the elimination from American politics of all pretense of a principle that would at uncertain intervals have been returning to vex the country, in the end devoting it to a state of chronic instability, utterly incompatible with the great purposes for which the National Government was instituted.

War, civil war—

Says a distinguished American author, Dr. Draper—

with its dread punishments is not without its uses. In no other school than that of war can society learn subordination; in no other can it be made to appreciate order. \* \* \* I turn from the contemplation of a disorganization of the Republic, each State, and county, and town sitting up for itself—I turn from that to a future, I see in prospect—an imperial race organizing its intellect, concentrating it, and voluntarily submitting to be controlled by its reason.

And in this connection, Mr. Speaker, I cannot forbear referring gentlemen of the republican party who cherish a prejudice fostered by extreme views upon this subject, and who doubtless remember the unquestioned historical fact that the legislation of the original colonies recognized human bondage the subjects of which were the African race, I cannot forbear to refer such gentlemen to and commend to their consideration a charitable and Christian view which Mr. Lincoln in his second inaugural address from the steps of this Capitol presented of the great controversy then pending and undetermined:

But let us judge not, that we be not judged. The Almighty has his own purposes. "Woe unto the world because of offenses, for it must needs be that offenses come; but woe to that man by whom the offense cometh." If we shall suppose that African slavery is one of these offenses which in the providence of God must needs come, but which having continued through his appointed time He now wills to remove and that He gives to both North and South this terrible war as the woe due to those by whom the offense came, shall we discern therein any departure from those divine attributes which the believers in a living God always ascribe to him?

However much of error, Mr. Speaker, you may predicate of conduct prompted by a conscientious faith in the peculiar constitutional theory the practical assertion of which precipitated the war, the enlightened sentiment of the world will pause before giving its assent to a harsher characterization. And I beg you, sir, to bear in mind that throughout this long and at times stormy session you have heard no utterance from the lips of those who trod the perilous and bloody path of revolution inconsistent with the oft-repeated assertion of the utter abandonment of the theory of secession—here where are daily seen the senators, cabinet ministers, and generals of the extinct confederacy. An untiring zeal, a perfect self-devotion to the transaction of the public business, a commanding ability, often painfully prominent, in debate upon great historical and constitutional questions have with all gener-

ous minds placed the sincerity of the avowal beyond question. How much longer, then, shall the public patience be abused by a partisan cry that would by cowardly implication impute to such public servants either dishonest or unpatriotic motives?

On the 24th of the last month a political convention met at the capitol of a great and flourishing State in the West and adopted a series of resolutions, one of which was the following:

2. That the policy of leniency by the republican party toward the people recently in rebellion against Federal authority having resulted in death by violence of at least five thousand Unionists, white and black, since the commencement of the present policy of reconstruction; also in placing in power in the lower House of Congress a political party nominated by ex-confederates; and finally in relegating back into the control of disloyal whites nearly every State reconquered to Federal authority by Federal arms, it is the duty of the executive branch of the Government to extend especial care over Union men throughout all the South, so that there, not only in name but in reality, American citizenship shall be as secure as it is in foreign lands and upon foreign seas.

A leading journal in that State, published in the city of Chicago, is authority for the statement that this resolution was received with more demonstrations of approval than any other one of the series. The reading of it was interrupted by applause, and at the conclusion of the reading "the whole convention and the large crowd of spectators applauded most earnestly." When the formal vote on the adoption of the entire series was taken there was only one negative vote in a delegated assemblage of more than six hundred men.

I have not quoted this resolution for the purpose of commenting upon the grave issues it presents when considered as involving the personal honor of several millions of people, for men cannot live nor States exist without dishonor in the daily commission of murder and treason. I might be inclined to speak of the cool, calculating malignity that could prompt the publication of such an indictment against a whole people did I not find a fit rebuke to hand, administered at Graceland on Decoration Day by a citizen of Illinois distinguished for his charity, his humanity, and his genius. Said Rev. Robert Coll- yer in his address on that occasion:

I notice that in our race in the old days there has been a great faculty for forgiving. In my own mother-country, where they used to come to the death-clinch sometimes and fight it out with fearful havoc, they never cherished their bitterness very long after they were through with their fighting. The white rose and the red would twine together about the door of the cabin and the castle. The cavalier and the puritan would sit by the same fireside. It is human instinct to have it out and then shake hands and be friends. It is what we must do for the living and the dead. I count every attempt to rake up the old trouble a violent, bitter thing, unworthy of our nation and our great Anglo-Saxon family, and I am ashamed of the men of my own State who could say the thing that has just been said in our own State capital, that they might add wormwood to gall.

We are one family North and South. We have one destiny in our heart. We can only work out that destiny through peace and good-will. On this summer-morning as we stand together the dust of these dead men is rising. The sun cannot tell which is rebel dust and which is loyal. It is all one to the sun. The rain cannot tell as it falls so sweetly on the graves. It is all one to the rain. It blends in the grass, blows in the flowers; it blends all together, for so God wills. It cannot be otherwise in our hearts if we are true. We must be great as God, as meek and pure as nature, as catholic and as tender. We are all one family, kith and kin clear through. We must go home nourishing the grand, sweet charity which can be the only worthy feeling of a generous and victorious heart.

To this brave, true-hearted Christian man "every attempt to rake up the old trouble is a violent, bitter thing, unworthy of our nation and our great Anglo-Saxon family." Speaking with especial reference to the resolution which I have read, he says, with an emphasis that does him infinite honor:

I am ashamed of the men of my own State who could say the thing that has just been said in our own State capital, that they might add wormwood to gall.

And here, Mr. Speaker, I would contrast with the noble utterances of this Christian hero the language of the national republican convention. Professing indeed "to deprecate all sectional feeling and tendencies," it belies that profession by repeated and false allusions to the unhappy past:

The democratic party is the same as when it sympathized with treason; it makes its control of the House of Representatives the triumph and the opportunity of the nation's recent foes; it re-asserts and applauds in the national Capitol the sentiments of unrepented rebellion; it sends Union soldiers to the rear and promotes confederate soldiers to the front.

Here is a "violent, bitter thing," for it is an attempt "to rake up the old trouble," at once "unworthy of our nation and our great Anglo-Saxon family."

And yet, sir, it is not improbable that "this thing" or its like will be said as often as the exigencies of party or the needs of the partisan shall exact. It is not improbable that to sympathies and antipathies engendered by the differences of the past the demagogue will in all future time appeal. As they are doing now, so will they hereafter constitute an instrument suited to his nefarious purpose. But it will be the high duty of the true northman and the true southron to bear in mind "how physical circumstances control the deeds of men in spite of themselves;" and looking upon the unspeakable woes of civil strife, to distinguish the instrument from the cause. And so remembering and so distinguishing, they may frustrate the designs of the demagogue, though they may not be able to drive him from his wicked work. They may speed the day when the recollections of the strife will pass into the twilight between memory and forgetfulness, "where rugged outline and harsh angle are softened by mellowing tints or obscured by deepening shadows."

In the war which England and France in the last century waged over Canada it will be remembered that Montcalm and Wolfe, representatives of the valor of the two great belligerents, fell in the same engagement upon the sanguinary heights of Abraham. The passing

years soon assuaged the bitterness of strife, and there rose from the generous contributions of both English and French in the public garden of Quebec a stately memorial bearing as an inscription—

Their valor gave them a common death, history a common fame, and posterity this common shaft.

No utterance ever fell from the lips of the lamented Greeley that marked more strongly the true nobility of his soul than when at Memphis he expressed an earnest hope for the day when the people of this country would be as proud of the martial renown of Jackson and Lee as they would ever be of that of Grant and Sherman. In a like spirit of magnanimity spoke the distinguished and eloquent gentleman from Pennsylvania [Mr. KELLEY] the other day, who will accept my thanks for the pleasure it affords me here to reproduce his language.

I say to those who wore the gray and to those who wore the blue, preserve every memento of your valor and your sacrifices, and the day will come when all the people will treasure every memento of American courage and sacrifice made in that great war. [Applause.] The day will come when those trophies, blending together as the dyes of yonder flag blend, will be cherished as the richest heritages of a united and unbroken American people, and will warn our countrymen through all time of the terrible cost that would attend an attempt from any quarter to dismember the American Union.

#### STATE RIGHTS.

But, Mr. Speaker, it is unnecessary to remind you that more than once upon this floor we have heard, in reply to some constitutional argument from this side of the House, the taunt that the politicians of the State-rights strict-construction school, being responsible for our civil troubles, are unsafe political guides, and unworthy ever to be again intrusted with political power. Again and again has the attempt been made to cast ridicule upon those who would invoke limitations upon Federal legislation, until indeed it seems to be not unusual to consider the annihilation of the whole theory of State rights as one of the results of the war, and the unqualified supremacy of the National Government as riveted firmly upon our political system by force of arms. But those, sir, who have shuddered at the fearful consequences of such a doctrine—enlightened lovers of constitutional liberty everywhere—took heart and hope when the present Supreme Court at its late term, emerging from the baleful shadow of reconstruction tyranny, and speaking through its able chief, invoked in authoritative tone recognition and respect for this derided theory. They have, so to speak, evoked it from the charnel-house of dead ideas, and breathed into it anew the life and force of a great, living, indestructible principle. This decision of the most august tribunal in the land is in its bearings so far-reaching and of such transcendent import, when considered with reference to the tendency of republican legislation for a few years past, that I shall be pardoned for embodying the following extracts in my remarks, which the Clerk will read.

The Clerk read as follows:

We have in our political system a government of the United States and a government of each of the several States. Each one of these governments is distinct from the others, and each has citizens of its own who owe it allegiance, and whose rights, within its jurisdiction, it must protect. The same person may be at the same time a citizen of the United States and a citizen of a State, but his rights of citizenship under one of these governments will be different from those he has under the other. (Slaughter-house cases, 16 Wallace, page 74.)

Citizens are the members of the political community to which they belong. They are the people who compose the community, and who, in their associated capacity, have established or submitted themselves to the dominion of a government for the promotion of their general welfare and the protection of their individual as well as their collective rights. In the formation of a government the people may confer upon it such powers as they choose. The government when so formed may, and when called upon should, exercise all the powers it has for the protection of the rights of its citizens and the people within its jurisdiction, but it can exercise no other. The duty of a government to afford protection is limited always by the power it possesses for that purpose.

Experience made the fact known to the people of the United States that they required a national government for national purposes. The separate governments of the separate States, bound together by the Articles of Confederation alone, were not sufficient for the promotion of the general welfare of the people in respect to foreign nations, or for their complete protection as citizens of the confederated States. For this reason the people of the United States, "in order to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty" to themselves and their posterity, (Constitution, preamble,) ordained and established the Government of the United States, and defined its powers by a constitution which they adopted as its fundamental law and made its rule of action.

The Government thus established and defined is to some extent a government of the States in their political capacity. It is also, for certain purposes, a government of the people. Its powers are limited in number, but not in degree. Within the scope of its powers, as enumerated and defined, it is supreme and above the States, but beyond it has no existence. It was erected for special purposes and endowed with all the powers necessary for its own preservation and the accomplishment of the ends its people had in view. It can neither grant nor secure to its citizens any right or privilege not expressly or by implication placed under its jurisdiction.

The people of the United States resident within any State are subject to two governments, one State and the other national, but there need be no conflict between the two. The powers which one possesses the other does not. They are established for different purposes and have separate jurisdictions. Together they make one whole and furnish the people of the United States with a complete government, ample for the protection of all their rights at home and abroad. True, it may sometimes happen that a person is amenable to both jurisdictions for one and the same act. Thus, if a marshal of the United States is unlawfully resisted while executing the process of the courts within a State, and the resistance is accompanied by an assault on the officer, the sovereignty of the United States is violated by the resistance, and that of the State by the breach of peace in the assault. So, too, if one passes the counterfeit coin of the United States within a State, it may be an offense against the United States and the State; the United States because it discredits the coin, and the State because of the fraud upon him to whom it is passed. This does not, however, necessarily imply that the two governments possess powers in common or bring them into conflict with each other. It is the natural consequence of a citizenship which owes allegiance to two sov-

erainties and claims protection from both. The citizen cannot complain because he has voluntarily submitted himself to such a form of government. He owes allegiance to the two departments, so to speak, and within their respective spheres must pay the penalties, which each exacts for disobedience to its laws. In return he can demand protection from each within its own jurisdiction.

The Government of the United States is one of delegated powers alone. Its authority is defined and limited by the Constitution. All powers not granted to it by that instrument are reserved to the States or the people. No rights can be acquired under the Constitution or laws of the United States except such as the Government of the United States has the authority to grant or secure. All that cannot be so granted or secured are left under the protection of the States.

Mr. CALDWELL, of Tennessee. Such is the language of the court in the case of the United States vs. Cruikshank *et al.*, while it holds in case of the United States vs. Reese *et al.* as follows:

The courts enforce the legislative will when ascertained, if within the constitutional grant of power. Within its legitimate sphere Congress is supreme and beyond the control of the courts, but if it steps outside of its constitutional limitations and attempts that which is beyond its reach, the courts are authorized to, and when called upon in due course of legal proceedings must, annul its encroachments upon the reserved power of the States and the people.

Here then we have in our system "two sovereignties," one of which is of delegated powers. Its legislative will must be exercised within its legitimate sphere, within which it is supreme, but stepping outside of that sphere it encroaches upon the reserved power of the other "sovereignties" and the people, and is guilty of usurpation. That political organization in this country—whatever it be called—that asserts these limitations and would maintain them in administering the Government should commend itself to the public support and favor, while the people should hold as unworthy of trust and visit with their severest condemnation any party that would deny or ignore them. Either extreme should be avoided, as while the one may be said to have plunged us into a direful war the other has drawn into fearful peril our local institutions and menaced us with a most dangerous modification of our dual system of government. Mr. Jefferson in his celebrated summary of the principles upon which the Government should be administered mentions among them "the support of the State governments in all their rights as the most competent administrations for our domestic concerns and surest bulwarks against anti-republican tendencies, and the preservation of the General Government in its whole constitutional vigor as the sheet anchor of our peace at home and safety abroad."

The form of government which alone renders popular institutions compatible with extent of territory—

Says Professor Reed—

Is that form which has its origin in this ancient element of Saxon local self-government. Who can question that it is such a political system that has expended this Republic from its primitive circumspection to its present extent; so that that which at first reached not far beyond the sound of the Atlantic, became enlarged beyond the mountains, then beyond the Mississippi, and now, having crossed the second great mountain range of the continent, has on its other border the sound of the earth's other great ocean. I know of no grander traditional influence to be observed in history than this simple Saxon characteristic element and the mighty issues of it now manifest around us; this principle of local self-government, obscurely recognized in the ancient fatherland of the Saxon, carried thence to England to be combined with the central power of a constitutional monarchy, and now a living principle here, helping by the harmony of State rights and Federal energy to extend and perpetuate the Republic.

Upon this principle, this "harmony of State rights and Federal energy," the security of liberty may be said to depend. Let those then who are clothed with the law-making power see to it that this principle is preserved by the strict observance of constitutional restraints and just divisions of political power.

In this connection it may not be out of place to allude to the effort made at the present session by each party upon this floor to give to the country an expression of its view of the nature of our dual system of government; and to the end that they may be fairly considered and contrasted, I ask the reporter to place them in the RECORD in parallel columns:

#### Mr. Baker's resolution.

*Resolved,* That the people of the United States constitute one nation and not a mere confederacy of States or nations; that the Constitution was formed by the people acting in their primary and individual capacity through their delegates thereto duly constituted; that the Government under the Constitution is one of the people, by the people, and for the people; that its appropriate sphere the Government of this nation is sovereign and supreme; that in its nature it is permanent and indissoluble except by the act and consent of the whole people; that no State has the right or authority to judge of the constitutionality of the laws enacted by it, and to nullify or resist the execution of the same; and that all overt acts by any State or the people thereof of secession therefrom, or of rebellion against the same, constitute treason; and that the late war of the rebellion for the dismemberment of the Union was causeless and indefensible on any theory of right or constitutional law.

#### Mr. Cox's resolutions.

*Resolved,* That the people of the United States constitute a nation in the sense, to the extent, and for the purposes defined in the Federal Constitution.

*Resolved,* That the Government of the United States is a Federal Union, and was formed by the people of the several States in their sovereign capacity; that the rights and powers of the United States Government are defined and limited by the Federal Constitution, and these rights and powers cannot be enlarged nor diminished except by an amendment to the Constitution.

*Resolved,* That the rights of the States have the same sanction and security in the Constitution as the rights and powers of the Federal Government, and that local domestic government by the several States within the limits of the Constitution is absolutely necessary for the preservation of the liberties of the citizen and the continuance of our republican system of government.

*Resolved,* That the doctrine that a State has a right to secede from the Union is in conflict with the idea of a "perpetual union" as contemplated by the Constitution and should be regarded as being forever extinguished by the results of the recent civil conflict.



Mr. BAKER's resolutions were supported by a solid vote of the republican party and opposed by an almost solid vote of this side of the House, while Mr. COX's resolutions received the full vote of this side and the votes of a few republican members. The democracy can well afford to submit the issue to the candid judgment of the country upon these resolutions and the late decision of the court, confident that whatever political theory would tend to prostrate one part of our system and build up the other far beyond the proportions of its original design can never receive the deliberate approval of the liberty-loving people of this country. That party, whatever may be its name, that best fulfills the destiny of our country must uphold the general theories of government receiving so lately the sanction of the highest judicial authority in the land, in pronouncing which—be it said to its honor—it has exhibited itself as rising again to the exalted position on these great issues which it had once held, but from which it had strayed under stress of war and reconstruction.

## CURRENCY.

Any attempted review, Mr. Speaker, of the prominent questions affecting the present "state of the Union" would be incomplete and partial without some reference to the subject that now engrosses more of the public attention than perhaps any other in the wide range of public affairs, and judging from the great diversity of opinion that exists in reference to it, it is of all the most difficult of solution.

The ruinous, crushing policy of monetary contraction adopted and persisted in by the republican party in its pretended zeal to reach a gold basis had produced before this Congress met an incalculable amount of distress in the land. The farmer in his fields, the mechanic in his workshop, the operative in the factory, the debtor in the toils of an interest-bearing mortgage had felt and suffered its blighting effect. It was expected that the great popular revolution of 1874 would result in a financial revolution that would mitigate at least, if it could not entirely cure, the evils of the false and vicious policy to which the Government had been committed by unwise legislation. This implied promise has not been kept; this reasonable hope has been disappointed. Up to this hour the Committee on Banking and Currency have reported no measure for the repeal of the crude resumption act of 1875, nor have they, so far as I now remember, reported any measure that could be termed a measure of relief to the public. It was not supposed that anything could be done to right the stupendous wrong perpetrated by the act of 1869, which, by converting the debt of the Government from one due in paper to one due in gold, had criminally enriched by many millions the holders of Government securities; it was not expected that any claim for restitution would be set up and enforced against this outrage under the forms of law; it was not even expected that a policy of opposition and hostility to the multitude of national banks that are now employed at an annual cost of \$20,000,000 to furnish currency to the country would be immediately inaugurated in this Hall; but the country had the right to expect and did expect that some consideration would be manifested for its depressed industries, its unemployed energies, and its vast burden of public and private indebtedness, by an effort to stay the execution of a policy that had wrought and continued to work so much of evil and distress in the land.

Desiring, Mr. Speaker, to offer some remarks in a more particular way upon this policy which is embodied in the third section of the act of January 14, 1875, I ask the Clerk to read that section.

The Clerk read as follows:

SEC. 3. That section 5177 of the Revised Statutes of the United States, limiting the aggregate amount of circulating notes of national banking associations, be, and is hereby, repealed; and each existing banking association may increase its circulating notes in accordance with existing law without respect to said aggregate limit; and new banking associations may be organized in accordance with existing law without respect to said aggregate limit; and the provisions of law for the withdrawal and redistribution of national bank currency among the several States and Territories are hereby repealed. And whenever so often as circulating notes shall be issued to any such banking association so increasing its capital or circulating notes, or so newly organized as aforesaid, it shall be the duty of the Secretary of the Treasury to redeem the legal-tender United States notes in excess only of \$300,000,000 to the amount of 80 per cent. of the sum of national bank notes so issued to any such banking association as aforesaid, and to continue such redemption, as such circulating notes are issued, until there shall be outstanding the sum of \$300,000,000 of such legal-tender United States notes, and no more. And on and after the 1st day of January, A. D. 1879, the Secretary of the Treasury shall redeem in coin the United States legal-tender notes then outstanding on their presentation for redemption, at the office of the assistant treasurer of the United States in the city of New York, in sums of not less than \$50. And to enable the Secretary of the Treasury to prepare and provide for the redemption in this act authorized or required, he is authorized to use any surplus revenues from time to time in the Treasury not otherwise appropriated, and to issue, sell, and dispose of, at not less than par, in coin, either of the descriptions of bonds of the United States described in the act of Congress approved July 14, 1870, entitled "An act to authorize the refunding of the national debt," with like qualities, privileges, and exemptions, to the extent necessary to carry this act into full effect, and to use the proceeds thereof for the purposes aforesaid. And all provisions of law inconsistent with the provisions of this act are hereby repealed.

Mr. CALDWELL, of Tennessee. It will be observed, Mr. Speaker, that this section provides for the conversion of the whole volume of legal-tender notes of the Government into its interest-bearing bonds. It does this by providing that gold may be purchased by the sale of such bonds and used in redeeming the legal tenders. The effect of such an operation will be twofold: first, by converting a non-interest-bearing debt evidenced by legal-tender notes that now amount to \$370,000,000 into an interest-bearing bonded debt, the annual burdens of the people will be increased to the extent of the interest,

which may be estimated at not less than \$20,000,000. As the gold will have in great part to be purchased abroad it is reasonable to assume that the bonds will be held abroad, and this amount of interest, \$20,000,000, will be added to the already crushing load of interest which we have annually to pay to foreign creditors. Certainly if there is any one policy imperatively enjoined upon us by the exigencies of our situation it is a policy that would tend to bring back our debt from foreign hands and place it once more in the hands of our own citizens, so that the large amount of gold interest paid out annually may be paid out to our own people and become the basis of a permanent and reliable resumption of specie payment. But the fact that the bonds so issued for the extinguishment of legal-tender notes may go and will probably go abroad is not the leading objection; but it is that the interest-bearing debt of the Government should be increased at all, no matter where held; for I do insist, sir, that a sound policy forbids that there shall be any additional burden in the way of interest laid upon the already overtaxed resources of the country. Secondly, by redeeming the legal-tenders with gold purchased with Government bonds, and not providing for their re-issue, which is certainly not contemplated by the act, the circulating medium of the country will be reduced to the extent of \$370,000,000, or more than one-half of what is in circulation at present. No substitute is provided by the act for this vast amount of useful currency so withdrawn, unless it can be assumed that the gold with which it will be redeemed will remain in the country and serve as a medium of exchange, a result (to say nothing of the unsuitable character of gold as a circulating medium) so dependent upon the commerce, trade, industries, and general prosperity of the country at that time as to be too doubtful for a sane statesmanship to rely upon. This, however, is called "an act to provide for the resumption of specie payments." It is a glaring misnomer and intended to delude. As a more truthful and appropriate characterization it should have been entitled "An act to increase the public burdens by funding \$382,000,000 of non-interest-bearing obligations of the Government, used and needed as currency, into the gold interest-bearing bonds of the Government." Its true character will thus be indicated, for we look in vain into the law for any other provision (except that which I have commented upon) that looks in the direction of resumption. Nothing is said in it in reference to redemption by the national banks of their obligations. No provision is found requiring them to keep and retain one-third or any amount of gold for the redemption of the \$334,000,000 of notes which they have in circulation. We are told, however, that when the legal-tender or greenback shall all have been redeemed by the Government there will be nothing else for the banks to pay their notes in except gold, and they will be compelled to provide themselves with a sufficient gold basis to protect their circulation or let their bonds deposited as security be subjected to the satisfaction of their notes. Just think for a moment of the character of the banking system which is thus offered to the country as a specie system. Not a dollar of gold is required, not even the interest upon their bonds deposited as security with the Government is to be held and retained to secure the immediate convertibility of the bank-note. It is not sufficient to say that the bank is good, that it has ample assets, for such a statement only shows that your national-bank paper is founded upon and has credit alone for its basis—a basis that the resumptionist claims to repudiate when he insists that our monetary system shall rest upon gold alone.

It is useless, Mr. Speaker, to speculate upon the possible if not probable consequences of the crude act of January 14, 1875. If executed by the Secretary of the Treasury it may result in the retirement of every dollar of the legal-tender currency now in circulation at a cost, as already stated, of \$20,000,000 interest annually. The gold paid out for it, being borrowed and not coming to us in obedience to the great and inexorable laws of trade, may, as it will most likely do, leave us and go abroad as for years past it has been going, and the only circulating medium left in the country may be the \$334,000,000 of national-bank notes that are not convertible into gold, and are only good because they are based upon the credit of Government bonds. But contraction, great and ruinous as it may be up to this point, will probably not stop here. Even the volume of national-bank notes may be greatly reduced by January 1, 1879, whatever may be the increase afterward of that kind of currency. These banks may not be willing to see legal-tenders, with which they may now redeem their notes, retired, and themselves left under legal obligations to provide coin for the redemption of their notes. While legal-tenders are at a discount and may be used for that purpose and before January 1, 1879, the banks will surrender much of their circulation, as they have already been doing, in anticipation of the execution of the act. It has been stated on the authority of my able and accurate friend from Ohio [Mr. SOUTHWARD] that in one year from the time of the passage of the act the banks have retired and canceled \$10,456,114 of their circulating notes, and have deposited in the Treasury \$22,011,206 with which to redeem a like amount of their notes, making a practical contraction of their circulation of \$32,467,320. In the same time there was a redemption of legal-tenders to the amount of \$10,172,780, and of fractional currency \$2,243,525, or a total practical contraction of \$44,883,625. This contraction of the volume of currency, already too small, in my judgment, for the wants of the country, may and in all probability will go on, and perhaps at an accelerated rate as the 1st of January, 1879, draws nearer, threaten-

ing, as I said in the debate on the centennial appropriation bill, "a money famine unparalleled in the history of the country, paralyzation of industry, prostration in business, destruction of values, of confidence, of credit, and of hope in a reign of poverty, want, and ruin."

While it will be remembered that whatever effort has been made to repeal this impracticable and dangerous law has come from the democratic side of this Hall and had its chief support from that side, in my humble judgment our failure as a party here to meet this just demand and throw upon a republican Senate the responsibility of all the consequences of its attempted execution may subject us to severe and not unmerited criticism. Of the consequences of this appointment of the public expectation I shall have but little to say. Parties are valueless when they cease to represent great, living, practical issues. Bold, independent thought, that disorganizes old and gives coherence, force, and power to new parties is at its work to-day. If it cannot force an existing organization in its direction it may create an agency suited to its purpose. The protest against contraction and demand for a circulating medium suited to the wants of the country are not the mere idle catch-words of a few restless demagogues. It has deeper and more portentous significance, of which existing organizations would do well to take warning. It is the fearful cry of enforced idleness, of unemployed labor, of languishing industries, to which all the maxims of an obsolete economy furnish no quieting response. It asks for bread and will not be satisfied with a stone. It asks for fish and is not to be appeased with a serpent. It comes from plain people, but with intelligence enough to perceive how uniformly the legislation of the country has tended to aggrandize its capital. They have seen the act of 1869 passed in the interest of that capital, by which were unjustly transferred many millions of dollars into the pockets of the bondholders. They have seen silver as it grew abundant and cheap demonetized in the very teeth of the Constitution, so that the Government creditor could get his pay in the dearer metal. They have seen the great sovereign power of issuing currency partially abdicated and given over to a legion of corporations and a compensation of near \$20,000,000 paid them annually for doing what the Government could itself do much better and at a vastly less expense. They have seen how tenderly are touched the sacred prerogatives of institutions whose influence may be depreciated but not safely defied. They have seen legislation year after year keep the badge of inferiority upon the money which the people use by rejecting it for import duties; thereby furnishing one currency to the public and another to the public creditor, thus depreciating the Government obligation and keeping it at a discount, and they see finally an undisguised effort to deprive them entirely of this cheap and useful form of currency and leave as their only circulating medium, and in stinted quantities, the expensive, uncertain, and dangerous one furnished them by the national banks. No wonder that here and there is a spasmodic exhibition of the spirit that animated the hero of the Hermitage in his historic struggle against the same power, and history may repeat itself sooner or later and furnish another illustration of the resistless might of an aroused and indignant public opinion.

## CIVIL-SERVICE REFORM.

There is a lesson in the history of the last seven years which the people would do well never to forget. If free institutions, if liberty sustained by law are to be preserved, their preservation can be best secured by a perpetual recurrence to the melancholy memories of this out-going Administration. By them we are admonished of the perils of personal government and its utter incompatibility with the theory of institutions that are "of the people, by the people, and for the people." They may remind us how power held in trust for the public weal may be prostituted to personal and family aggrandizement and to the gratification of an individual favoritism, persistently and wickedly blind to the high source and legitimate purposes of all delegated political power. In this history is recorded that growing laxity of political morals that culminated at last in an almost public commerce in the patronage of the Republic.

Whatever may be said, Mr. Speaker, in disparagement of this House, one thing must stand to its everlasting credit: the sincerity, vigor, and success with which it has wrought for the purification of the national service and restoration of public virtue to places of public trust. Despite the resistance which it has met in executive orders forbidding the use of this capital of original papers on file in the Departments, despite the implied threat of prosecution and vengeance to accomplices who might come forward to attest official malfeasance, despite the refusal of the other branch of Congress to pass laws granting immunity to such witnesses, despite the hue and clamor against investigation, it has gone on to results that first startled and then humiliated the nation. As the national conscience recovers from the shock the country begins to realize the benefits of these disagreeable labors. A saturnalia of fraud, a carnival of rogues, has been brought to a sudden end. An imperious and insolent lobby that once dominated here and controlled the legislation of this Hall has left its places in the corridors and upon this floor to a successor so pinched and starved, humble and unobtrusive as that its very existence is a matter of doubt. But, sir, one effect alone of these investigations already attained is their adequate reward. When this Congress met and for many months before the third-term specter had projected its malignant shadow over the American mind and filled the political horizon with "portents dire," menacing to the safety and perpetuity of our political system.

But the horrid apprehension it inspired has passed, and danger to our institutions from that threatened innovation, thanks to the fearless majority in this Hall, no longer confronts us.

But still one other tendency we feel confidently assured these labors will have, a tendency toward a re-inauguration of the era of official responsibility, a principle long ignored, both to the corruption of public morals and the peril of public liberty. When again shall another Secretary of War make commerce of the patronage of his high place or another American minister to a foreign court lend the influence of his ministerial character to bail the shares of a doubtful speculation?

The public mind too has been aroused by these exposures to the fuller realization of a danger which is even, sir, a dire evil than that of civil war itself, for the hurricane that vexes the bosom of the sea and bends the masts of the goodly ship has less of certain peril in it than the invisible borer that gnaws unnoticed in the dark or the dry rot that steals through her staunch timbers unheard and unseen. As to whether the country will profit fully by the solemn warning given at a cost of so much of its substance and its pride the future alone will determine.

Honest, responsible administration of governmental functions is the great and crying need of the hour, and the ideoles of November will make it attainable. Will the country pronounce for it? Unless all signs are delusive public opinion, that mysterious force which no human hand can check or turn from the current in which it is set, that indefinable sentiment which resists or upholds governments and parties without their being able to account for it, and which rarely errs in doing so, demands, in a tone that should go neither unheard nor unheeded, a return to honest, frugal, constitutional government. Discarding all idea of a magnificent system supported by costly, aristocratic establishments, which tend neither to the promotion of happiness nor the protection of liberty, it demands a return to the simple republican system of the earlier years of our national history. A plain system void of pomp, protecting all and granting favors to none, dispensing its blessings like the dews of heaven, unseen and unfelt, save in the beauty and freshness they contribute to produce. Such a government as this the genius of our people requires; under such a one only may these States remain for ages to come united, prosperous, and free.

## The Utilization of the Product of Gold and Silver Mines.

## SPEECH OF HON. JOHN R. EDEN,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

July 26, 1876,

On the bill (H. R. No. 3635) to utilize the product of gold and silver mines, and for other purposes.

Mr. EDEN. Mr. Speaker, in the brief time I shall occupy in this discussion I propose to confine myself to the consideration of the amendment proposed by the gentleman from Indiana, [Mr. HOLMAN.] That amendment is as follows:

That so much of the act entitled "An act to provide for the resumption of specie payments," approved January 14, 1875, as authorizes or requires the Secretary of the Treasury to redeem in coin, on and after the 1st day of January, 1879, the United States notes is hereby repealed.

## REPEAL OF THE RESUMPTION ACT.

One of the questions which now confronts the people grows out of the attempt to force the resumption of specie payments by coercive legislation at a time when every industrial interest of the country is paralyzed, and every channel of commerce obstructed with bankrupt estates. This business stagnation results from vicious legislation relative to the currency and taxation, and extravagance and corruption in the administration of public affairs. Instead of relieving the financial distress of the country by reformatory legislation, placing our currency on a better basis, and relieving the people as far as possible from taxation by retrenchment in expenditures, the advocates of the resumption act of 1875 propose to reach specie payments on the 1st of January, 1879, through general bankruptcy and ruin.

What is resumption? By the third section of the act of January 14, 1875, entitled "An act to provide for the resumption of specie payments," it is provided that:

On and after the 1st day of January, A. D. 1879, the Secretary of the Treasury shall redeem, in coin, the United States legal-tender notes then outstanding on their presentation for redemption at the office of the assistant treasurer of the United States, in the city of New York, in sums of not less than \$50.

The only mode of procuring the money to make the redemption provided by law is the authority given the Secretary of the Treasury to sell interest-bearing bonds. In order to determine the policy of resumption by that mode, let us briefly refer to the history of the legal-tender paper and its uses. The authors of our legal-tender notes seemed to appreciate the importance of sustaining the credit of that class of paper, doubtless with a view of making resumption easy.

If the legal-tender note was at par with gold coin there would be



Mr. BAKER's resolutions were supported by a solid vote of the republican party and opposed by an almost solid vote of this side of the House, while Mr. COX's resolutions received the full vote of this side and the votes of a few republican members. The democracy can well afford to submit the issue to the candid judgment of the country upon these resolutions and the late decision of the court, confident that whatever political theory would tend to prostrate one part of our system and build up the other far beyond the proportions of its original design can never receive the deliberate approval of the liberty-loving people of this country. That party, whatever may be its name, that best fulfills the destiny of our country must uphold the general theories of government receiving so lately the sanction of the highest judicial authority in the land, in pronouncing which—be it said to its honor—it has exhibited itself as rising again to the exalted position on these great issues which it had once held, but from which it had strayed under stress of war and reconstruction.

## CURRENCY.

Any attempted review, Mr. Speaker, of the prominent questions affecting the present "state of the Union" would be incomplete and partial without some reference to the subject that now engrosses more of the public attention than perhaps any other in the wide range of public affairs, and judging from the great diversity of opinion that exists in reference to it, it is of all the most difficult of solution.

The ruinous, crushing policy of monetary contraction adopted and persisted in by the republican party in its pretended zeal to reach a gold basis had produced before this Congress met an incalculable amount of distress in the land. The farmer in his fields, the mechanic in his workshop, the operative in the factory, the debtor in the coils of an interest-bearing mortgage had felt and suffered its blighting effect. It was expected that the great popular revolution of 1874 would result in a financial revolution that would mitigate at least, if it could not entirely cure, the evils of the false and vicious policy to which the Government had been committed by unwise legislation. This implied promise has not been kept; this reasonable hope has been disappointed. Up to this hour the Committee on Banking and Currency have reported no measure for the repeal of the crude resumption act of 1875, nor have they, so far as I now remember, reported any measure that could be termed a measure of relief to the public. It was not supposed that anything could be done to right the stupendous wrong perpetrated by the act of 1869, which, by converting the debt of the Government from one due in paper to one due in gold, had criminally enriched by many millions the holders of Government securities; it was not expected that any claim for restitution would be set up and enforced against this outrage under the forms of law; it was not even expected that a policy of opposition and hostility to the multitude of national banks that are now employed at an annual cost of \$20,000,000 to furnish currency to the country would be immediately inaugurated in this Hall; but the country had the right to expect and did expect that some consideration would be manifested for its depressed industries, its unemployed energies, and its vast burden of public and private indebtedness, by an effort to stay the execution of a policy that had wrought and continued to work so much of evil and distress in the land.

Desiring, Mr. Speaker, to offer some remarks in a more particular way upon this policy which is embodied in the third section of the act of January 14, 1875, I ask the Clerk to read that section.

The Clerk read as follows:

SEC. 3. That section 5177 of the Revised Statutes of the United States, limiting the aggregate amount of circulating notes of national banking associations, be, and is hereby, repealed; and each existing banking association may increase its circulating notes in accordance with existing law without respect to said aggregate limit; and new banking associations may be organized in accordance with existing law without respect to said aggregate limit; and the provisions of law for the withdrawal and redistribution of national bank currency among the several States and Territories are hereby repealed. And whenever so often as circulating notes shall be issued to any such banking association so increasing its capital or circulating notes, or so newly organized as aforesaid, it shall be the duty of the Secretary of the Treasury to redeem the legal-tender United States notes in excess only of \$300,000,000 to the amount of 80 per cent of the sum of national bank notes so issued to any such banking association as aforesaid, and to continue such redemption, as such circulating notes are issued, until there shall be outstanding the sum of \$300,000,000 of such legal-tender United States notes, and no more. And on and after the 1st day of January, A. D. 1879, the Secretary of the Treasury shall redeem in coin the United States legal-tender notes then outstanding on their presentation for redemption, at the office of the assistant treasurer of the United States in the city of New York, in sums of not less than \$50. And to enable the Secretary of the Treasury to prepare and provide for the redemption in this act authorized or required, he is authorized to use any surplus revenues from time to time in the Treasury not otherwise appropriated, and to issue, sell, and dispose of, at not less than par, in coin, either of the descriptions of bonds of the United States described in the act of Congress approved July 14, 1870, entitled "An act to authorize the refunding of the national debt," with like qualities, privileges, and exemptions, to the extent necessary to carry this act into full effect, and to use the proceeds thereof for the purposes aforesaid. And all provisions of law inconsistent with the provisions of this act are hereby repealed.

Mr. CALDWELL, of Tennessee. It will be observed, Mr. Speaker, that this section provides for the conversion of the whole volume of legal-tender notes of the Government into its interest-bearing bonds. It does this by providing that gold may be purchased by the sale of such bonds and used in redeeming the legal tenders. The effect of such an operation will be twofold: first, by converting a non-interest-bearing debt evidenced by legal-tender notes that now amount to \$370,000,000 into an interest-bearing bonded debt, the annual burdens of the people will be increased to the extent of the interest,

which may be estimated at not less than \$20,000,000. As the gold will have in great part to be purchased abroad it is reasonable to assume that the bonds will be held abroad, and this amount of interest, \$20,000,000, will be added to the already crushing load of interest which we have annually to pay to foreign creditors. Certainly if there is any one policy imperatively enjoined upon us by the exigencies of our situation it is a policy that would tend to bring back our debt from foreign hands and place it once more in the hands of our own citizens, so that the large amount of gold interest paid out annually may be paid out to our own people and become the basis of a permanent and reliable resumption of specie payment. But the fact that the bonds so issued for the extinguishment of legal-tender notes may go and will probably go abroad is not the leading objection; but it is that the interest-bearing debt of the Government should be increased at all, no matter where held; for I do insist, sir, that a sound policy forbids that there shall be any additional burden in the way of interest laid upon the already overtaxed resources of the country. Secondly, by redeeming the legal-tenders with gold purchased with Government bonds, and not providing for their re-issue, which is certainly not contemplated by the act, the circulating medium of the country will be reduced to the extent of \$370,000,000, or more than one-half of what is in circulation at present. No substitute is provided by the act for this vast amount of useful currency so withdrawn, unless it can be assumed that the gold with which it will be redeemed will remain in the country and serve as a medium of exchange, a result (to say nothing of the unsuitable character of gold as a circulating medium) so dependent upon the commerce, trade, industries, and general prosperity of the country at that time as to be too doubtful for a sane statesmanship to rely upon. This, however, is called "an act to provide for the resumption of specie payments." It is a glaring misnomer and intended to delude. As a more truthful and appropriate characterization it should have been entitled "An act to increase the public burdens by funding \$382,000,000 of non-interest-bearing obligations of the Government, used and needed as currency, into the gold interest-bearing bonds of the Government." Its true character will thus be indicated, for we look in vain into the law for any other provision (except that which I have commented upon) that looks in the direction of resumption. Nothing is said in it in reference to redemption by the national banks of their obligations. No provision is found requiring them to keep and retain one-third or any amount of gold for the redemption of the \$334,000,000 of notes which they have in circulation. We are told, however, that when the legal-tender or greenback shall all have been redeemed by the Government there will be nothing else for the banks to pay their notes in except gold, and they will be compelled to provide themselves with a sufficient gold basis to protect their circulation or let their bonds deposited as security be subjected to the satisfaction of their notes. Just think for a moment of the character of the banking system which is thus offered to the country as a specie system. Not a dollar of gold is required, not even the interest upon their bonds deposited as security with the Government is to be held and retained to secure the immediate convertibility of the bank-note. It is not sufficient to say that the bank is good, that it has ample assets, for such a statement only shows that your national-bank paper is founded upon and has credit alone for its basis—a basis that the resumptionist claims to repudiate when he insists that our monetary system shall rest upon gold alone.

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ing, as I said in the debate on the centennial appropriation bill, "a money famine unparalleled in the history of the country, paralyzation of industry, prostration in business, destruction of values, of confidence, of credit, and of hope in a reign of poverty, want, and ruin."

While it will be remembered that whatever effort has been made to repeal this impracticable and dangerous law has come from the democratic side of this Hall and had its chief support from that side, in my humble judgment our failure as a party here to meet this just demand and throw upon a republican Senate the responsibility of all the consequences of its attempted execution may subject us to some severe and not unmerited criticism. Of the consequences of this disappointment of the public expectation I shall have but little to say. Parties are valueless when they cease to represent great, living, practical issues. Bold, independent thought, that disorganizes old and gives coherence, force, and power to new parties is at its work to-day. If it cannot force an existing organization in its direction it may create an agency suited to its purpose. The protest against contraction and demand for a circulating medium suited to the wants of the country are not the mere idle catch-words of a few restless demagogues. It has deeper and more portentous significance, of which existing organizations would do well to take warning. It is the fearful cry of enforced idleness, of unemployed labor, of languishing industries, to which all the maxims of an obsolete economy furnish no quieting response. It asks for bread and will not be satisfied with a stone. It asks for fish and is not to be appeased with a serpent. It comes from plain people, but with intelligence enough to perceive how uniformly the legislation of the country has tended to aggrandize its capital. They have seen the act of 1869 passed in the interest of that capital, by which were unjustly transferred many millions of dollars into the pockets of the bondholders. They have seen silver as it grew abundant and cheap demonetized in the very teeth of the Constitution, so that the Government creditor could get his pay in the dearer metal. They have seen the great sovereign power of issuing currency partially abdicated and given over to a legion of corporations and a compensation of near \$20,000,000 paid them annually for doing what the Government could itself do much better and at a vastly less expense. They have seen how tenderly are touched the sacred prerogatives of institutions whose influence may be deprecated but not safely defied. They have seen legislation year after year keep the badge of inferiority upon the money which the people use by rejecting it for import duties; thereby furnishing one currency to the public and another to the public creditor, thus depreciating the Government obligation and keeping it at a discount, and they see finally an undisguised effort to deprive them entirely of this cheap and useful form of currency and leave as their only circulating medium, and in stinted quantities, the expensive, uncertain, and dangerous one furnished them by the national banks. No wonder that here and there is a spasmodic exhibition of the spirit that animated the hero of the Hermitage in his historic struggle against the same power, and history may repeat itself sooner or later and furnish another illustration of the resistless might of an aroused and indignant public opinion.

## CIVIL-SERVICE REFORM.

There is a lesson in the history of the last seven years which the people would do well never to forget. If free institutions, if liberty sustained by law are to be preserved, their preservation can be best secured by a perpetual recurrence to the melancholy memories of this out-going Administration. By them we are admonished of the perils of personal government and its utter incompatibility with the theory of institutions that are "of the people, by the people, and for the people." They may remind us how power held in trust for the public weal may be prostituted to personal and family aggrandizement and to the gratification of an individual favoritism, persistently and wickedly blind to the high source and legitimate purposes of all delegated political power. In this history is recorded that growing laxity of political morals that culminated at last in an almost public commerce in the patronage of the Republic.

Whatever may be said, Mr. Speaker, in disparagement of this House, one thing must stand to its everlasting credit: the sincerity, vigor, and success with which it has wrought for the purification of the national service and restoration of public virtue to places of public trust. Despite the resistance which it has met in executive orders forbidding the use at this capital of original papers on file in the Departments, despite the implied threat of prosecution and vengeance to accomplices who might come forward to attest official malfeasance, despite the refusal of the other branch of Congress to pass laws granting immunity to such witnesses, despite the hue and clamor against investigation, it has gone on to results that first startled and then humiliated the nation. As the national conscience recovers from the shock the country begins to realize the benefits of these disagreeable labors. A saturnalia of fraud, a carnival of rogues, has been brought to a sudden end. An imperious and insolent lobby that once dominated here and controlled the legislation of this Hall has left its places in the corridors and upon this floor to a successor so pinched and starved, humble and unobtrusive as that its very existence is a matter of doubt. But, sir, one effect alone of these investigations already attained is their adequate reward. When this Congress met and for many months before the third-term specter had projected its malignant shadow over the American mind and filled the political horizon with "portents dire," menacing to the safety and perpetuity of our political system.

But the horrid apprehension it inspired has passed, and danger to our institutions from that threatened innovation, thanks to the fearless majority in this Hall, no longer confronts us.

But still one other tendency we feel confidently assured these labors will have, a tendency toward a re-inauguration of the era of official responsibility, a principle long ignored, both to the corruption of public morals and the peril of public liberty. When again shall another Secretary of War make commerce of the patronage of his high place or another American minister to a foreign court lend the influence of his ministerial character to bull the shares of a doubtful speculation?

The public mind too has been aroused by these exposures to the fuller realization of a danger which is even, sir, a direr evil than that of civil war itself, for the hurricane that vexes the bosom of the sea and bends the masts of the goodly ship has less of certain peril in it than the invisible borer that gnaws unnoticed in the dark or the dry rot that steals through her staunch timbers unheard and unseen. As to whether the country will profit fully by the solemn warning given at a cost of so much of its substance and its pride the future alone will determine.

Honest, responsible administration of governmental functions is the great and crying need of the hour, and the idea of November will make it attainable. Will the country pronounce for it? Unless all signs are delusive public opinion, that mysterious force which no human hand can check or turn from the current in which it is set, that indefinable sentiment which resists or upholds governments and parties without their being able to account for it, and which rarely errs in doing so, demands, in a tone that should go neither unheard nor unheeded, a return to honest, frugal, constitutional government. Discarding all idea of a magnificent system supported by costly, aristocratic establishments, which tend neither to the promotion of happiness nor the protection of liberty, it demands a return to the simple republican system of the earlier years of our national history. A plain system void of pomp, protecting all and granting favors to none, dispensing its blessings like the dew of heaven, unseen and unfelt, save in the beauty and freshness they contribute to produce. Such a government as this the genius of our people requires; under such a one only may these States remain for ages to come united, prosperous, and free.

## The Utilization of the Product of Gold and Silver Mines.

## SPEECH OF HON. JOHN R. EDEN,

OF ILLINOIS,

## IN THE HOUSE OF REPRESENTATIVES,

July 26, 1876.

On the bill (H. R. No. 3635) to utilize the product of gold and silver mines, and for other purposes.

MR. EDEN. Mr. Speaker, in the brief time I shall occupy in this discussion I propose to confine myself to the consideration of the amendment proposed by the gentleman from Indiana, [Mr. HOLMAN.] That amendment is as follows:

That so much of the act entitled "An act to provide for the resumption of specie payments," approved January 14, 1875, as authorizes or requires the Secretary of the Treasury to redeem in coin, on and after the 1st day of January, 1879, the United States notes is hereby repealed.

## REPEAL OF THE RESUMPTION ACT.

One of the questions which now confronts the people grows out of the attempt to force the resumption of specie payments by coercive legislation at a time when every industrial interest of the country is paralyzed, and every channel of commerce obstructed with bankrupt estates. This business stagnation results from vicious legislation relative to the currency and taxation, and extravagance and corruption in the administration of public affairs. Instead of relieving the financial distress of the country by reformatory legislation, placing our currency on a better basis, and relieving the people as far as possible from taxation by retrenchment in expenditures, the advocates of the resumption act of 1875 propose to reach specie payments on the 1st of January, 1879, through general bankruptcy and ruin.

What is resumption? By the third section of the act of January 14, 1875, entitled "An act to provide for the resumption of specie payments," it is provided that:

On and after the 1st day of January, A. D. 1879, the Secretary of the Treasury shall redeem, in coin, the United States legal-tender notes then outstanding on their presentation for redemption at the office of the assistant treasurer of the United States, in the city of New York, in sums of not less than \$50.

The only mode of procuring the money to make the redemption provided by law is the authority given the Secretary of the Treasury to sell interest-bearing bonds. In order to determine the policy of resumption by that mode, let us briefly refer to the history of the legal-tender paper and its uses. The authors of our legal-tender notes seemed to appreciate the importance of sustaining the credit of that class of paper, doubtless with a view of making resumption easy.

If the legal-tender note was at par with gold coin there would be



no necessity for resumption. The evil sought to be remedied by resumption grows out of the fluctuations in the value of what the law has declared to be money. To remedy this defect as far as possible the act of February 25, 1862, authorizing the first issue of legal-tender notes provided that the holder of such paper might, at his option, convert the same into United States bonds, bearing interest at the rate of 6 per cent. per annum. Had this system been adhered to an equilibrium would have been maintained between the Government notes used as a circulating medium and those used as an investment; and whenever the interest-bearing bonds became at par with gold the question of resumption would have been solved.

By the act of March 3, 1863, the time within which the legal-tender notes could be converted into 6 per cent. bonds was limited to July 1, 1863. At the expiration of that period the only pledge remaining in reference to the legal-tender notes was the promise of the Government to pay them at some indefinite time, solely at the option of the Government, and their limited receivability for Government dues and their full legal-tender character for private indebtedness.

The next important legislation bearing upon the subject under consideration is the act of March 18, 1869. In the law authorizing the issue of the legal-tender notes and the 5.20 bonds both classes of paper were treated as merely temporary expedients to meet a pressing emergency. The legal-tenders were at the option of the holder convertible into 5.20 bonds, and after five years the principal of the 5.20 bonds was payable in legal-tender notes. The Government sold the bonds, taking therefor legal-tender notes at par, the legal-tenders were paid out by the Government to defray the expenses of the war, and the holders at pleasure again converted the legal-tenders into interest-bearing bonds. By the act of March 18, 1869—

The faith of the United States was pledged to the payment in coin or its equivalent " . . . of all the interest-bearing obligations of the United States except in case where the law authorizing the issue of such obligations has expressly provided that the same may be paid in lawful money or other currency than gold and silver. . . . The faith of the United States was also solemnly pledged to make provisions at the earliest practicable period for the redemption of the United States notes in coin.

By this act of legislation several hundred millions were added to the public debt, and the legal-tender notes were further depreciated by a discrimination against their use in the payment of the principal of the 5.20 bonds. From the passage of this act there was no relation whatever between the interest-bearing and non-interest-bearing notes of the Government. The greenbacks were left to take care of themselves with a pledge of redemption at some indefinite time in the future. The Government degraded its own paper by refusing to receive it for customs dues and by declaring that it would not require the holders of 5.20 bonds to receive it for the principal of their bonds.

I am not now discussing the policy of the passage of the act of March 18, 1869, so far as it applies to the changed character of the 5.20 bonds with a view of changing it. However grievously the people may have been wronged by that legislation there is now no remedy for it. I only call attention to it to show how the greenbacks have been discriminated against and consequently degraded and depreciated by the acts of Congress. The greenbacks, being thus treated as an outlaw, were yet the foundation of the whole circulating medium of the country and the measure of values except as heretofore stated. The whole internal commerce of the country has been carried on for more than thirteen years upon the greenback basis. The title of lands of immense value has been transferred in all parts of the country upon the same measure of value. Large municipal and individual indebtedness has been created payable in legal-tender currency. Mortgages and deeds of trust cover thousands of valuable farms in the West for loans in greenbacks, falling due in from three to five years. The great commercial crash of 1873 has not yet expended its force. Many men of large property and comparatively small indebtedness, owing to the stagnation in business, have found relief only through bankruptcy; while many others still struggle on in the vain effort to extricate themselves from inevitable financial ruin.

Sir, there is no business that promises any certain return, no income that is longer reliable, except that arising from the interest on money. The farmer with industry and close economy cannot pay taxes and current expenses. The merchant with goods on his shelves constantly shrinking in value cannot successfully carry on his business. Manufacturing establishments all over the country are closed. The mechanic is idle and the laborer seeks in vain for employment. This picture is but faintly drawn. Language cannot properly describe the ruin that now like the darkness of night hangs over every business interest of this country.

What relief is promised the country by the party in power? The resumption of specie payments on and after the 1st day of January, 1879! What does this mean? It means a further depreciation in all values, except the value of bonds and mortgages, of from 25 to 50 per cent. It means an appreciation in the value of bonds and mortgages of at least 25 to 50 per cent. Under this policy the farm that was mortgaged a few years ago at one-third its value will be sold to pay the debt, and the mortgagee will be unable to redeem it. The merchant who bought his goods on the greenback basis will be required to pay for them on the gold basis. The manufacturer will

find no purchasers for his fabrics, for but few will have the means to buy. The farmer will find but an indifferent market for his products, because the consumer being in enforced idleness will make but an indifferent customer.

This unfortunate condition of all our industrial interests is greatly aggravated, if it does not directly result from, the so-called resumption act. The arbitrary declaration of that law that there shall be a resumption of specie payments on and after January 1, 1879, is a standing menace to every man proposing to invest in property or in business pursuits that he does so at the peril of depreciation in values and with a certainty of loss, if not of financial ruin. This act, in effect, commands the holder of money to lock it up to await the day fixed for its redemption in gold, thereby avoiding the danger of loss from the threatened insolvency of the man who borrows, and with the sure prospect of a fair rate of interest by holding it until the day of its redemption.

The great army of energetic business men who build railroads and factories and open new farms, who exchange the products of industry and give life and vitality to trade and commerce, are commanded to stand still and wait until that other army "who toil not, neither do they spin," shall gather the golden harvest in the shape of usury, increased threefold by the appreciation in the value of their property and the depreciation in all other values, resulting from this legislation. Sir, in conclusion, the resumption act and preceding financial legislation have been the result of republican control; they have been consistent in the policy of protection of capital and consequent war on all the labor, industrial, mechanical, and manufacturing interests.

The Saint Louis platform demands the repeal of the oppressive part of the resumption act. Preceding republican legislation by ingenious contrivance has fastened its evil effects so that a remedy is beyond the power of the people. The demand of the democracy represents the universal desire and the absolute need of the people. The resumption act must be repealed.

#### Resumption of Specie Payments.

### SPEECH OF HON. B. T. EAMES,

OF RHODE ISLAND,

IN THE HOUSE OF REPRESENTATIVES,

July 26, 1876

On the bill (H. R. No. 3910) in addition to an act entitled "An act to provide for the resumption of specie payments," approved January 14, 1875.

Mr. EAMES. Mr. Speaker, the question of the finances of the country is by far the most important question upon which Congress is called upon at this session to act. If the natural laws of trade were now determining the volume of currency required as a medium of exchange in the business of the country, there would be no occasion or necessity for any legislation upon this question. But the exigency arising from the necessities of the Government to preserve the national Union and the life of the Republic interfered with the operation of these laws in the supply of a medium of exchange, and forced the issue of a currency which, measured by the standard of value recognized in the commercial world and fixed as the standard by the Constitution, has varied in the course of thirteen years from par in gold to forty cents on the dollar, and is now depreciated so that \$1.12 in legal-tender is only equal to a dollar in coin. And this value is varying from day to day, thus rendering the existing currency, consisting of legal-tenders and national bank notes, uncertain as a measure of value in the business transactions of the country.

It is of no practical consequence how this state of things has arisen, whether by mistakes made in the hour of the nation's great peril during the war, or since its close, nor of the least consequence to assert that it might have been avoided. It is sufficient to know that it exists, and that the national currency is constantly changing in its purchasable value and that the evils arising from such changes demand such remedy as is in the power of Congress by legislation to apply to appreciate the currency of the country to the standard fixed by the commercial world and by the Constitution.

The necessity of a certain standard as a measure of value for the business purposes of a nation is as imperative as is that of a fixed standard of weights and measures. Without such standard of value the price of all commodities would vary from time to time as certainly as if the ounces to the pound or the inches to the foot or the yard should be from time to time changed. One nation might perhaps adopt such standards in these respects as it deemed would best subserve the convenience of its own interests and its own people, and perhaps no harm or inconvenience would arise so long as its dealings were confined within its own limits and to its own people; and it may be as to its standard of weights and measures, without any real harm to its own interests or in its dealings with other nations, because the price paid would in every case be determined by the quantity and quality of the article. But by the common consent of the civilized world gold and silver have been designated as the measure or stand-

and of values, and unless a nation shall pursue the suicidal policy of limiting itself to internal commerce and trade with its own people, it must of necessity in its dealings with other nations adopt this generally recognized standard of value. It would be a matter of great convenience if all nations would agree upon a common standard of weights and measures. It is a necessity, so far as one nation deals with another nation, to assent to the standard of gold and silver as the measure of values, and no better standard of value exists. In our Government they have, except in cases of great emergency, been assented to as the standard by which to measure all values in business transactions, and they are under the Constitution the only legal measure of values.

We live under a government of law, and that law gives exclusively to Congress the power to coin money. It certainly confers no power to coin paper or to print or mint paper as money. And although great exigencies may justify the making a promise of the Government to pay a dollar a legal tender, it certainly never was intended by the provision of the Constitution that anything but gold and silver should be the permanent standard or measure of values. One of these occasions was the recent rebellion. It necessitated the issue of the legal-tender note. That strife at least for the present, and I hope forever, has been determined, and the time has come when, so far as it may be done by Congress, steps should be taken to bring the currency of the country to par in its purchasable value to the standard of gold and silver—in the words of the Constitution, to *coin*. The policy has been in this direction since the close of the war. First in the retirement of the legal-tenders when Mr. McCulloch was Secretary of the Treasury. Then by the act of March 18, 1869, which solemnly pledged the faith of the United States to make provision at the earliest practicable period for the redemption of the United States notes in coin. Also by the fourth and sixth sections of the act of June 20, 1874, and especially by the act of January 14, 1875, which provided for the issue of silver coin for the redemption of fractional currency, fixed the 1st day of January, 1879, for the redemption in coin of the legal-tenders and at the same time provided for the supply of currency necessary for the purposes of trade and commerce upon the principle of supply and demand by the system of free banking under the national-bank law, as amended by the provisions of that act.

The action of the republican party in fixing the 1st day of January, 1879, for the redemption of the legal-tenders may not have been wise. It may have been better not to have fixed a definite time so near in the future for the payment and redemption of the legal-tender notes. But whether wise or not the time has been fixed by law. And in the present depressed condition of trade and the industries of the country it is the imperative duty of Congress to adopt such measures as will, so far as legislation can, give relief, and this, too, without regard to party and especially without regard to the approaching struggle between the great political parties of the country to secure political power.

Mr. Speaker, I am a republican, and have been identified with the republican party from its organization. I am as an American citizen proud of its achievements in the past and sincerely believe in the necessity of its continuance in power in the future in order to secure the general welfare, but I am opposed upon this question of the finances, in the consideration of any remedy which may be here proposed, to making it a political question.

The business and industries of the country, as well in internal as in foreign commerce and trade, can never rest on a solid and sure foundation until the medium of exchange has a fixed and certain standard recognized by the commercial world.

It is therefore of the first importance to attain this end, and it is the duty of Congress, so far as this end may be accomplished by legislation, to adopt such measures as will secure it. And it is simply our duty as members of this Congress to pass such laws upon this subject as will best subserve the great interests of the country and restore to life and activity the present depressed industries so far as this may be done by any legislation relating to the currency.

The delicate and difficult question is, how shall this be done? Various plans for this purpose have been proposed, some of which I propose briefly to examine and then to suggest another which I think will accomplish the end without any change in existing laws, without either contracting or inflating the existing volume of currency, and without to any considerable extent disturbing the existing business relations of the country.

All agree that property has depreciated in value; that the industries of the country are depressed; that capital is uninvested, and labor to a considerable extent unemployed; but there is a difference of opinion as to the occasion which gives rise to this state of things. It is attributed by some to the burden imposed by taxes upon the industries of the country to meet the interest upon the public debt and to reduce the principal of that debt, and by others to speculation and overproduction, and by others still to the fluctuations in the currency, the contraction or inflation of its volume. No doubt the present condition of the country may be attributed to each and all of these causes.

The remedy proposed by some, so far as the currency is one of the causes for this result, is the repeal of the time fixed by the act of January 14, 1875, for the redemption in coin of the legal-tender notes; and the repeal of that clause of the act is demanded as a means of and sure to secure immediate relief. I think otherwise. If the

legal-tender notes are to be redeemed at all, it is necessary to fix some time when it shall be done. If no time had been designated, perhaps it would not be wise now to name that particular time, but a day more remote. But the time has been named by that act, and when named was a notice to the trade and commerce of the country for a period of four years that on the 1st day of January, 1879, the Government would redeem its promise by paying on presentation its legal-tender notes. In the meantime the business and industries of the country, in view of this declared purpose, have prepared and will continue to prepare for it. If the time named is too soon and resumption shall not then be practicable, Congress, at either of the three sessions which will intervene, may extend the time to a future day. There is certainly no occasion to make that change now. To do so will be a step in the wrong direction. It will be far better by some judicious measure to be ready on that day to meet with coin the outstanding United States notes. To repeal this provision of the act of January, 1875, now, a period of two and a half years before the time fixed, will render wholly uncertain and indefinite when resumption shall take place, and also will make a change which will render useless what has been already done in view of and in preparation for the time now fixed for resumption, as well as disturb and render uncertain all business operations so far as dependent upon a currency equivalent in purchasable value to coin, and besides will impair our credit in foreign nations, cause a decline in our securities, and prevent any further funding at a lower rate of interest of the public debt. These securities at home and abroad are held and their value depends upon keeping the pledged faith of the Government as made in the act of January 14, 1875. But there will be no occasion for any change of the time named, as I hope to show.

Another proposition which is urged as a remedy for the existing financial evils is the retirement of the national-bank notes and the substitution of legal tenders. This measure, in my judgment, would render still more uncertain the value of the legal-tender as a medium of exchange, and is open to the very serious objection of leaving to the discretion of Congress, subject to change from time to time, the volume of currency required for transacting the business of the country. This volume should be left to the law of supply and demand; and if left to the operation of this law will so regulate itself that whatever amount is required for the legitimate trade and commerce will be supplied. The Government of the United States ought not to act as a fiscal agent for the supply of the volume of currency required for trade and commerce. Such a power in Congress would be a dangerous power to exercise. It would unite what the people of a free government will never assent to—the purse and the sword. The legal-tender note is no better, in fact it is not so good security as the national-bank note. The legal tender is secured, it is true, by the resources of the nation; but the national-bank note will be as well secured so long as it is issued at the rate of 90 per cent., based upon the credit of the bonds of the United States. The national-bank note in this respect is as safe as the legal-tenders and it has the additional advantage of the liability of the stockholder to the amount of their shares in the capital stock, and also the right of the bill-holder to enforce payment in the courts not only against the stockholders, but also against the bank and its property. In addition to this, under free banking, as now provided for by law, the demands of trade will always be met by the necessary supply of currency. There will be in such case neither contraction nor inflation for any length of time; neither too little nor too much currency for the legitimate demands of trade and commerce.

The national-bank notes, therefore, in these respects are a safer currency than the legal-tender notes, and they are equally current in all parts of the country. Human wisdom never devised a better or safer mode of supplying a medium of exchange in business transactions than now exists in the national banks of the country. The only apology for substituting the legal-tender notes for them is to be found in the refusal by the Government to meet its just obligations in the money which is alone recognized by the Constitution as lawful.

There are two other plans which have been suggested in the direction of appreciating the legal-tender to par in coin: the one by funding them in long bonds at a small rate of interest, and the other by the purchase and retirement of a million or two millions monthly until the outstanding notes shall be reduced to a fixed amount, say three hundred millions. Either mode would no doubt result in appreciating the notes outstanding to par in coin, but both are open to the same objection, which in the present sensitive condition of the finances is insuperable, namely, the arbitrary contraction in fixed sums at stated periods of the existing volume of currency used for the purposes of business, including both legal-tender and national-bank notes. In the present condition of the business of the country the people will not assent to such arbitrary contraction.

The proposition which I make avoids both of these objections. It changes no existing law. It is simply a step in the direction of preparing for resumption at the time now fixed by law, and it proposes to accomplish this without either inflation or contraction of the present volume of currency, except only so far as the same may be increased or diminished under the operation of existing law; and it will also accomplish the purpose of appreciating to par in coin both the legal-tender and national-bank notes, without interfering with either the legal-tender or national-bank notes as a medium of exchange. The plan is this:



The Secretary of the Treasury is required, from and after the passage of the act and until the legal-tender notes shall be appreciated to par value in gold and shall be convertible into coin at the will of the holder, to retain in coin annually an amount equal to 6 per cent. of the legal-tenders outstanding, for the purpose of redeeming and paying any legal-tender note which may be presented for redemption and payment on or after the 1st day of January, 1879.

The legal-tenders now outstanding, as appears by the last statement of the public debt, were about three hundred and seventy millions. Six per cent. upon this amount would be \$22,200,000 to be set aside annually, and the amount accumulated on the 1st day of January, 1879, would be \$55,500,000—15 per cent. of the present outstanding legal-tender notes. Two questions arise here upon this proposition: First, Can the Secretary from the receipts from custom duties set aside this amount of coin; and, second, will this amount, if reserved, be sufficient to appreciate the legal-tenders to par value in coin?

Both questions, I think, can with reasonable certainty be answered in the affirmative.

The amount received in coin for duties on imports during the last fiscal year was in round numbers \$156,000,000. The interest on the public debt, which is payable in gold, is less than \$100,000,000. The amount required to be set aside for the sinking fund is about thirty-two millions. The surplus of this coin has been during the last fiscal year applied to the reduction of the principal of the public debt and to the current expenses of the Government. The public debt during the last year from this and other sources of revenue has been reduced about thirty millions. If for a few years the policy shall be to make no payment of the principal of the unmatured public debt, the surplus of coin in the Treasury will be sufficient to enable the Secretary of the Treasury to retain the amount required of 6 per cent. annually without any additional taxes for revenue, even if, as is supposed, for a few years to come the duties on imports should be less by ten millions than they were in the last fiscal year.

The product of the mines of the country in gold and silver is amply sufficient to meet the balance of our indebtedness arising from any excess of imports over exports. In fact, that balance is now largely in our favor, and a large reserve of gold, from ten to twenty millions, has constantly been held in the Treasury over and above any demand for its use, either to pay the interest on the public debt, keep the sinking fund intact, or to meet any current gold obligation of the Government. It seems to me that this small amount of coin in the Treasury, gradually accumulated, would not raise the premium on gold or sensibly affect values or disturb to any extent the business interests of the country.

Will this reserve in coin be sufficient to appreciate the legal-tender to par in gold? I think it will. It requires but a small amount of gold to appreciate the legal-tender to par. It will be at par as soon as it is convertible into coin, and when this point is reached, it will be preferred to gold as a more convenient medium of exchange in business transactions.

If from now to the 1st of January, 1879, 6 per cent. of the outstanding legal-tenders is reserved there will on that day be in the Treasury 15 per cent. of the legal-tenders for the purpose of redeeming and paying such of the legal-tenders as may be presented for payment. Is this, with the surplus of coin in the Treasury, a sufficient amount to meet on demand any legal-tenders which may be presented?

Previous to the present national-bank act a system of banking existed under the State laws which was a safe and convenient mode of supplying the circulation which was required for the purposes of trade and commerce. This circulation was based on specie payment, and, although occasionally there was a suspension of specie payment, for nearly the whole time the bills of these banks, under the limitations and regulations which were imposed upon them, were at par with gold in their purchasable value.

It appears in a report on the finances, Executive Documents Nos. 2 and 3, first session Thirty-eighth Congress, that in 1863 there were fourteen hundred and sixty-six State banks and branches, the liabilities of which were, including capital, in the aggregate \$1,191,749,945, and their total resources \$1,185,491,728. In the same year the circulation and deposits of these banks were \$632,363,444, and the aggregate amount of specie \$101,227,369, or about \$1 of specie for \$6 of circulation and deposits, and, including other liabilities, about \$1 in specie to \$7 of liability. The proportion of specie to circulation and deposits, and also to other liabilities, is very nearly the same for the years intervening between 1851 and 1863.

It is quite apparent from this statement that the amount of specie required to appreciate the circulation of the State banks at par in its purchasable value was no larger in percentage than is proposed by this bill to appreciate the legal-tender to par; and it is certainly reasonable to infer that the legal-tender will not require a greater rate of percentage than was required by the State banks.

The evidence of bankers also confirms the statement that practically from 15 to 20 per cent. in coin of the liability is ample to keep bank circulation at par.

It should be kept in mind also in considering this question that the legal-tender notes are in circulation in all parts of the country, that they are a more convenient medium of exchange than coin, either gold or silver, and that consequently only such amount of the legal-tenders as may not be required for the purpose of trade and commerce

will on the 1st day of January, 1879, or thereafter, be presented for payment. Whatever is required in trade will be kept in circulation and will be at par with, because it is convertible into, coin.

Less specie will be required for this purpose on account of the operation of the act of June 20, 1874, under which \$50,000,000 have been retired by the national banks, and under the act of January 14, 1875, \$12,000,000 of the legal-tenders.

Under the operation of this reservation of a small per cent. of gold as soon as the legal-tender is at par the national-bank note will also be at par.

If this policy shall be pursued the currency of the country, as well the national-bank note as the legal-tender, will be at par with coin in its purchasable value, and the very great evils arising from a currency which is constantly changing will be avoided.

This is but a simple step, but it is in the right direction, and is the true remedy to appreciate the existing circulation to par in coin. The fractional currency has been provided for, and this measure will provide for the legal-tender and national-bank notes.

Mr. Speaker, on the 9th of February, 1874, as a member of the Forty-third Congress I introduced a bill, which was referred to the Committee on Banking and Currency, in which the same plan for resuming specie payments was presented, except in that bill, which was introduced before the act of June 20, 1874, I also provided that the national banks, from the coin received as interest on bonds filed with the Treasurer to secure their liabilities to bill-holders and depositors, should reserve a small per cent. of the coin thus received to be counted as part of their reserve.

The proposition which I now make is merely for the General Government to reserve a certain per cent. in coin. There is now, as there was then, no occasion to require the national banks to make this reservation in coin, as the reserve of from 15 to 25 per cent. which they are required to hold in legal tenders will enable them to resume as soon as the General Government shall be prepared to redeem the legal tenders outstanding, which will, of course, include the reserves in legal tenders now held by the national banks.

When, therefore, the Government is ready to meet any demand which will be made on it to redeem the legal-tenders, the national banks will also be in a condition to resume specie payments, and the existing medium of exchange, including both legal tenders and national-bank notes, will be at par with and equal in purchasable value to coin.

If the bill I then introduced had become the law, I sincerely believe that to-day this question would not have been here for our action, and if substantially the same idea should now become law I as sincerely believe that on the 1st day of January, 1879, the present medium of exchange will be equal in value for the purpose of trade to the standard which is fixed as money by the Constitution; and we of this Congress will have solved the delicate and difficult problem of furnishing to the trade and commerce of the country a circulating medium which will be exempt from the fluctuations of the existing currency, and one upon which the business interests can rely as a fixed and certain standard of value.

Mr. Speaker, I appeal to the members of this House to consider this proposition carefully without regard to political platforms or political effect; and I make this appeal in the belief that if this proposition shall become the law it will appreciate in its purchasable value the existing currency to par with coin, and will so far as legislation upon the question of the finances can, restore life and activity to the present depressed condition of the labor and industries of the country.

#### Expenditure of the Foreign Naval Account.

### SPEECH OF HON. JOHN M. GLOVER,

OF MISSOURI,

IN THE HOUSE OF REPRESENTATIVES,

August 1, 1876,

On the report of the Committee on the Real-Estate Pool in regard to the expenditures and financial affairs of the Navy Department.

Mr. GLOVER. Mr. Speaker, with the indulgence of the House I will give a statement of the facts and the history of the management of this foreign naval account with the house of Jay Cooke, McCulloch & Co., of London. When Mr. Robeson became Secretary of the Navy, the old, wealthy, and world-renowned House of Baring Brothers was the "temporary special agent" of the Navy Department for receiving and disbursing the naval fund for the foreign service.

That house had acted in that capacity with perfect satisfaction and safety to the Government for more than half a century.

In May, 1871, this solid and venerable house which had given such general satisfaction was discontinued, and the house of Jay Cooke, McCulloch & Co., without age, credit, or capital, was substituted. In making this change, the suggestions of common duty, to say nothing of sworn official obligations, should have instigated a most rigid and thorough scrutiny into the resources of this new house to determine whether it was a safe depository for the millions of the public money destined to go into it.

But it appears, sir, from the evidence in this case, elicited by the committee from the Secretary himself, that no examination or investigation to this important end was ever instituted.

In answer to the interrogatories, "If he made inquiries to ascertain the extent of responsibility of the firm of Jay Cooke, McCulloch & Co. before making deposit of the public money, and whether he knew that firm had no capital stock," the Secretary replied:

I understood from their partners or agents in this country that they were a strong firm, with good working capital and ample resources in reserve; and after the failure of Jay Cooke & Co. I was informed directly from the firm of Jay Cooke, McCulloch & Co. through dispatches to their agents in the country that their private ledger still showed a very large working capital besides all their other property and assets.

Yet, in the face of this statement, the house of Jay Cooke & Co. in this country failing on the 18th day of September, 1873, he sent to Paymaster-General John O. Bradford of the Navy, through the hands of Pay Director of the Navy George F. Cutter, of New York, between the 24th day of September and the 12th day of November, 1873, sums aggregating \$1,735,555.56, \$1,100,000 of which he ordered Bradford to deliver to the house of Jay Cooke, McCulloch & Co. with which to pay their general indebtedness, and with the balance himself to take up all the naval drafts drawn on the house of Jay Cooke, McCulloch & Co., which order Mr. Bradford swears he executed. The House will note the novel manner of ascertaining the questionable solvency of a foreign banking firm, into whose coffers it is proposed to place millions of the public money, and which public money was to act as a decoy to bring millions more from unsuspecting depositors into the possession of this banking firm, by simply taking the statement of the firm and that of its friends, rather than to have made a close and rigid examination of its books and into all its resources.

Sir, from all the facts and circumstances in relation to this change of the agency from the Baring Brothers to Jay Cooke, McCulloch & Co., I am sensibly impressed with the conviction that some other consideration than the safety of the naval fund alone influenced the action of the Secretary of the Navy. Section 1550 of the Revised Statutes of the United States provides—

That no person shall be employed or continued abroad to receive and pay money for the use of the naval service on foreign stations, whether under contract or otherwise, who has not been or shall not be appointed by and with the advice and consent of the Senate.

Now, Mr. Speaker, with their colossal wealth, their world-wide credit and unshaken stability, for nearly a century the house of Baring Brothers was so confirmed. Why was this infantile house of Jay Cooke, McCulloch & Co. not confirmed? Why was the successor to Jay Cooke, McCulloch & Co., the house of Seligman Brothers, confirmed a few months ago upon the recommendation of the Secretary of the Navy?

These facts, Mr. Speaker, are significant. Why should these old and strong houses be confirmed and the weak house of Jay Cooke, McCulloch & Co. not be confirmed? Sir, I have a theory about it, and I believe my theory is true and is supported by the facts in the case. As I said before, sir, this change was made for other purposes than the mere safety of the naval fund and the good of the public service. Some other consideration personal and profitable to some one, I believe I am justified in saying, controlled the matter of the removal of this agency to this new and unestablished house. It is now well known that the house of Jay Cooke, McCulloch & Co. was a mushroom concern—an empty bubble that was destined to burst in the first financial storm that swept over it unless supported by the Treasury of the United States, as all the banking houses of Jay Cooke & Co. have been. This bank of Jay Cooke, McCulloch & Co. was a fraud upon the financial world. I am well convinced, sir, that this banking venture of Jay Cooke, McCulloch & Co. would never have been carried out but for an assurance that it was to have the deposit of the foreign naval account.

It is stated by a journal no less able and responsible than the Chicago Times that this account was offered in 1869 to a then existing house on condition that Orville Grant should share the profits of its use. Whether this is true or not, certain it is that Jay Cooke, McCulloch & Co. had no capital. Their first deposit was a million of dollars by Jay Cooke & Co. In about two years and a half they made a million dollars of profits, or \$400,000 a year, and Jay Cooke & Co. withdrew their deposited million, these profits being substituted and treated as capital.

How these great profits were obtained in a market where 5 per cent. is a high interest appears from the following facts: The money was usually transmitted to Jay Cooke & Co., at New York, who could profit by its use, and would buy bills of exchange in favor of Jay Cooke, McCulloch & Co. These bills being due at thirty, sixty, or ninety days after presentation to the drawees at London were not credited to the United States till they matured; mean time Jay Cooke, McCulloch & Co. could get them discounted or borrow money, using them as security. The house doing ten to fifteen millions of dollars of business needed a large working balance. This they obtained from the proceeds of bills of exchange after crediting these proceeds; and the balance of public money in their hands sometimes exceeded \$1,600,000 at a time—sixteen times the amount for which they were under bonds. It is true they allowed the Government 4 per cent. interest on such balances; but it is also true that the Government allowed them 1 per cent. on all moneys disbursed by them on its account, including these balances. Hence, while they paid the Government

(in two years) to June 30, 1873, over \$50,000 in interest, the Government in the same time paid them over \$60,000 in commissions, so that they actually had the use of these great sums at the greatest market in the world free of charge, and mainly without even giving security.

Now why was the house not nominated to the Senate for confirmation? For no other reason, sir, in my opinion, than that it had not sufficient resources and that if it had been nominated the debates on the subject in the Senate would have revealed this fact and have defeated the confirmation. For this reason, sir, and for other reasons this usurpation of power and gross violation of a plain statute were committed. This weak bantling of administration favoritism having been set up, it is now necessary to sustain it at the public expense out of the Treasury of the United States. In his sworn testimony before the committee on the 25th of July the Secretary said "that he had remitted about a million of dollars each quarter to the house of Jay Cooke, McCulloch & Co. In answer to a question, how much he had remitted to the Baring Brothers, he said: "About the same amount." It appears, sir, by the statement of the Secretary of the Navy in his letter of March 23 to the committee that during the year 1869 only \$2,000,000 were remitted to Baring Brothers to meet the naval drafts. In the year 1870 there was remitted to the same house the sum of \$2,500,000. To May 11 of the year 1871, the time at which remittances ceased to that house, the sum of \$1,798,708.24 was remitted, aggregating in about two years and four months the sum of \$6,298,708.24.

Now I call the attention of the House to the increased remittances made to Jay Cooke, McCulloch & Co. from the day they received the agency. For the remaining portion of the year 1871, after Jay Cooke, McCulloch & Co. became the agent of the Navy Department, embracing seven months and nineteen days, there was remitted to them the sum of \$3,000,000, which was \$500,000 more for these seven months and nineteen days than was remitted to the Barings for any one year, given by the Secretary to the committee.

For the year 1872 there was remitted to Jay Cooke, McCulloch & Co. the sum of \$3,500,000, one million more than was sent to the Barings in any given year. Then taking the year 1873 and combining the remittances of that year to Jay Cooke, McCulloch & Co. with those sent to Bradford, the Paymaster-General of the Navy, then in England, and which were all used, either as loans to Jay Cooke, McCulloch & Co., or for paying the Navy drafts which that house should have paid, the sum aggregates \$3,950,000, of which the sum of over one million was advanced as a loan to Jay Cooke, McCulloch & Co., not one dollar of which was used by them to pay Navy drafts.

Now, Mr. Speaker, the House and the country can have some faint conception how the public money has been diverted to private ends by a high and sworn official of the Government. This is but in keeping with practices in some other Departments of the Government: in the case of the Treasury Department during the years 1867 and 1868, when the agents of the banking-house of Jay Cooke & Co. could enter the Treasury Department and procure a loan of from \$50,000 to \$100,000 at a time when it suited their convenience. These are some of the ways in which the public money has been used and the manner in which public officials have prostituted their sacred trusts under republican rule.

Now I come back to the remittances to England for naval purposes. After the Government had dissolved its relations with the house of Jay Cooke, McCulloch & Co., and ceased its remittances to that house for the payment of its general indebtedness, the remittances fell down, in the year 1874, to \$1,924,375.43. As I stated before, the remittances to the Barings for a period of two years and four months aggregated the sum of \$6,298,708.24. It appears from the statement of the Secretary of the Navy and from the official account of Pay Director Cutter, of New York, that during a period of two years seven months and ten days the enormous sum of \$10,450,000 was remitted to London, which could be legitimately used only to pay Navy drafts which were drawn upon that house.

Permit me now to present the contrast more sharply. In two years four months and eleven days there was sent to Barings the sum of \$6,298,708.24; to Jay Cooke, McCulloch & Co., and to Bradford for them, in two years seven months and ten days, the sum of \$10,450,000; making an excess of remittance to the house of Jay Cooke, McCulloch & Co., including a small excess of time, of the sum of \$4,151,291.76. Omitting the amount of the direct loan to this firm by the order of the Secretary of the Navy to Mr. Bradford of the sum of \$1,100,000 to meet the debts of their English creditors to save this deceitful and rotten bank, whose character and condition must have been known or should have been known to the Secretary, this house has had excessive remittances for nearly the same time of \$3,051,298.76.

The evidence is strong in its tendency to prove that not only the Navy but the Treasury Department had suspicions of the coming failure, first of the firm of Jay Cooke & Co. of this country and next of Jay Cooke, McCulloch & Co., of England. For by reference to the following dispatches of September 16 and 18, 1873, it will be seen that an attempt was made to aid the house of Jay Cooke & Co. by the use of \$1,000,000 two days before its failure, and failing to get the money the house went down on the 18th of September, 1873.

LONG BRANCH, September 16, 1873.

Commodore WILLIAM REYNOLDS,  
Acting Secretary of the Navy, Washington, D. C.:

Give requisition in favor of Jay Cooke, McCulloch & Co. for \$1,000,000 for foreign account out of pay of Navy.

GEORGE M. ROBESON.



The following is an answer to the foregoing dispatch:

NAVY DEPARTMENT,  
Washington, September 18, 1873.  
Hon. GEORGE M. ROBESON,  
Moumouth Branch, Long Branch, New Jersey:  
Remittance to London stopped by the Treasury.

WILLIAM REYNOLDS,  
Acting Secretary of the Navy.

After the failure of the house of Jay Cooke & Co. over here, there seemed to be great solicitude for the house of Jay Cooke, McCulloch & Co., as shown by the following telegrams:

LONG BRANCH, N. J., September 23, 1873.

Commodore REYNOLDS,  
Acting Secretary Navy, Washington, D. C.:

Telegraphed you to-day to give Cutter requisition for \$500,000. Give him another for \$1,000,000 in addition. Make special. Go in person to Secretary of Treasury, to put through by telegraph. Act promptly. Answer to No. 29 Broadway.  
GEORGE M. ROBESON, Secretary.

The answer:

[Immediate.]

WASHINGTON, September 24, 1873.

To the SECRETARY OF THE NAVY,  
29 Broadway, New York:

Telegram received. Have seen Secretary Treasury. Requisition will be put through by telegraph.

WILLIAM REYNOLDS,  
Acting Secretary Navy.

NAVY DEPARTMENT,  
Washington, September 24, 1873.

To GEORGE M. ROBESON,  
Care Pay-Director G. F. Cutter,  
29 Broadway, New York:

Requisitions through; amount to credit of Cutter, on assistant treasurer's books, New York.

WILLIAM REYNOLDS,  
Acting Secretary Navy.

These and other telegrams show the solicitude of the Secretary for the fate of this house, although he said in his letter to the committee, previously quoted, that "after the failure of Jay Cooke & Co. . . . their private ledger still showed a very large working capital." Nevertheless he now transfers with great haste to Bradford, London, \$1,500,000, to be used as hereafter explained. The Secretary seeks to justify this violation of law and hazard of a large sum of the public money by an assumption which is unsupported by the evidence before the committee.

On the day of the failure of the house of Jay Cooke & Co., September 18, 1873, the statement of account furnished by the Treasury Department shows that instead of there being a balance in the hands of this firm in favor of the Government, the Government owed Jay Cooke, McCulloch & Co. a balance of \$190,000. The way this pretended balance was made up is as follows: On the 2d day of July, 1873, on a requisition from the Navy Department, a draft was drawn by the Treasury Department in favor of Jay Cooke, McCulloch & Co. This draft, which is the basis of the assumed balance, was drawn by the Treasury Department on the assistant treasurer at New York; was paid four days after it was made, but the evidence before the committee does not prove that its proceeds ever reached Jay Cooke, McCulloch & Co. It is true that the draft is reported by the Treasury as bearing their indorsement, but the date at which payment was made shows that this indorsement was given in this country and hence must have been given by one of the American partners in both firms. Paymaster-General Bradford testifies that he was informed by London members of the house that they never received the money. The Secretary testified to the same; nevertheless on the 22d of September, when they had lost ability to meet such a responsibility, they assumed it and charged themselves with it; having omitted to do so on the 8th of July, the time at which the Secretary states they charged themselves and became liable.

These strange facts go far to impress me with a strong belief that this assumption of indebtedness at this critical moment, the 22d of September, 1873, was extemporized merely as a pretext for additional advances to save that which could have been better saved by relying upon the American estate of Jay Cooke & Co., which firm the London house charged with having appropriated the money. It is simply ridiculous for the Secretary of the Navy to pretend that additional loans, secured by collaterals, were necessary to save a balance, even had it existed, when under the provisions of our attachment and bankrupt laws all the tangible and available assets of both Jay Cooke & Co. and Jay Cooke, McCulloch & Co. in this country were within the easy reach of the Secretary of the Navy.

Now, I do not hesitate to say that it is my firm belief that had the Secretary desired above all things, in connection with this matter, to save the so-called balances in the hands of this house, it was an easy achievement had he gone at it with a purpose and a determination. It might have been accomplished in either one of three ways. Instead of engaging himself in sending hasty and excited dispatches to the Acting Secretary of the Navy for the purpose of hurrying more money out of the Treasury, he should have busied himself in finding out from whom and to whom was the sixty days' bill of exchange not yet matured but purchased with the million of dollars belonging to the Government of the United States. Having found out these things he should have invoked the co-operation of

both parties, drawer and drawee, and demanded a suspension of its payment. No respectable banking house under the circumstances would have refused or failed to obey such a demand, especially if promised indemnity.

The Secretary had from the 18th to the 22d of September in which to do this thing. Paymaster Bradford, then in London, and on the spot, says the time was ample in which to have stopped the payment of the bill, but that he could not have stopped it without disobeying the orders of the Secretary. Did the Secretary make an effort? It does not appear that so reasonable, so timely, and so natural an idea entered his head. So he allowed the house to be made debtor to the Government for nearly \$1,000,000, to become a basis in a short time for new advances or loans to this firm under the specious plea of saving what the house ought never to have received under the circumstances, if indeed it ever received it. At that time Mr. McCulloch was in New York and the Secretary was in frequent consultation with him.

The testimony of Paymaster-General Bradford is clear that if the balances were not withdrawn from the house, it would go through and survive. Now, the very existence of this banking house was in the hands of the Secretary. "To be or not to be" was with him to say, and that, too, without loaning a dollar. Did he go to Mr. McCulloch with the voice of decision and determination which the occasion required, and which should have been found in the person of a Cabinet minister and upon the penalty of closing the house, demand ample and immediate security for the balances then in his hands, and which subsequent events so clearly proved the house could have given? There is no evidence that he did. Had this demand been declined, which no reasonable man can believe would have been the case, then he should have withdrawn his balances or have attempted to do so, though the house had immediately suspended. Had he done this, his action would have met the judgment and approval of the American people. The demand would have been just and appropriate, because the house had the ability to secure the debt, and in the eyes of honorable men would have been left without an excuse had it refused.

The bare fact that the house was so weak that the withdrawal of the United States account would hurt its credit and risk its bankruptcy should have moved him to this course. Knowing this weakness, he should not have trusted it with another dollar on any terms, even had the security offered been good. But doing so, he should have taken care to inform himself of the nature of and title to the security that he accepted, which would have saved him and the Government from becoming—unconsciously as he claims—parties to the fraud on the Dutch bondholders of the Saint Paul and Pacific Railroad, perpetrated by Moorhead and his partners in the American and London houses. The Secretary's claim that he did not know how Jay Cooke, McCulloch & Co. came by the iron rails which these men pledged to him does not well agree with the statement of Francis O. French, McCulloch's New York agent, who, in the suit brought by the Dutch bondholders to recover their property, swore that by McCulloch's direction he "laid the whole facts before Mr. Robeson." Either way the Secretary stands in the position of aiding to defraud the innocent victims. At all events, it was needless for him to advance Jay Cooke, McCulloch & Co. any more money, even to meet drafts, and equally needless to keep Bradford there for that purpose. All he needed to do was to instruct Jay Cooke, McCulloch & Co. to continue accepting drafts and making them payable at Williams, Deacon & Co., and to place Williams, Deacon & Co. in funds to meet such drafts. He could then have at once arranged with Baring Brothers or some other reliable house to meet new drafts and have instructed paymasters to draw on them.

The position assumed by Jay Cooke, McCulloch & Co., that if the account was not taken from them they could get safely through, indicates either that they were anxious to prevent this stoppage of the bill of exchange, or that they charged themselves with it, when they could have justly refused to do so and have referred the Government to the last indorsers, Jay Cooke & Co., who actually collected the draft. If they took the latter course it was plainly for a purpose, and that purpose subsequent events reveal. Paymaster-General Bradford's testimony shows that the transactions of September were distinct from that of October, and his account furnished by the Treasury confirms this. It will be remembered that just after Jay Cooke & Co.'s failure they published a dispatch from Jay Cooke, McCulloch & Co., giving directions to draw on the latter for whatever was necessary to carry the former through. As the American house was indebted to the London one to the extent of over two and a half millions of dollars, having withdrawn its original deposit, borrowed a million from them on Dutch bondholders' iron, drawn \$650,000 out additional, and defaulted to them for \$1,000,000 besides, this offer was, to say the least, suspicious.

Taken in connection with the haste exhibited by the Secretary's telegrams and with the strenuous efforts of Jay Cooke & Co. to effect a composition with their creditors, and thus to avoid any publicity of their affairs, it would seem that the object of telegraphing Bradford \$1,000,000, September 24 was to enable Jay Cooke & Co. to fulfill the programme foreshadowed in Jay Cooke, McCulloch & Co.'s dispatch, to pacify influential creditors, and complete the private composition with the rest. This view is strengthened by the fact that during September and October Bradford paid no drafts. But the day after the money left Cutter's hands at New York, the very day Brad-

ford received it, petitions in bankruptcy were filed against Jay Cooke & Co., which stopped their attempts to do business and made this programme useless. Had Bradford been called on to pay drafts in September and October, this would have relieved the London house of the necessity of doing so, and have been a virtual loan to the house during those months. That this was not done shows that this was not the object of the September transfer.

The October transaction seems to have been an after-thought. According to Bradford, the house, out of the \$850,000 admitted by McCulloch to be due after the failure, went on and paid drafts to the extent of \$250,000, after which they found themselves unable to continue. It has been intimated to me from another source that McCulloch then represented to Robeson that if the house was not aided it would fail, and that the country would hold him responsible for the loss of \$600,000. Bradford testifies repeatedly that the object was to save this balance by aiding—really by saving—the house, and this testimony and action contrast strangely with the Secretary's declaration that he did not know that the house was in danger. The first action in October, so far as known, was the dispatch from Robeson, October the 11th, authorizing Bradford "to protect inconvenient drafts."

Bradford's account shows that he did not take up paymasters' drafts till November 8, a week after he had paid Jay Cooke, McCulloch & Co. the last portion of the \$900,000. October 20 he received from Cutter the \$500,000 that had staid in New York ten days during the panic, and the same day paid over \$400,000 to Jay Cooke, McCulloch & Co., keeping the \$1,000,000 received September 25 till November 1, when he handed over half of this also to them. This does not seem to have been enough to make the house safe, for November 14 he accommodated them with \$200,000 more. Noteworthy features of this transaction are that security was professedly taken, that most of this security was equitably worthless as such; that the money was not used for naval purposes, and that it was repaid not by disbursement on naval account, but like any other loan, by refunds of the cash and sales of securities. The statement that the firm going into liquidation has prevented earlier repayment shows plainly that the money was used for business and not for naval purposes. Had it been held in readiness to meet drafts, it could have been turned over to Bradford, Barings, or Seligmans, when liquidation began. Much stress is laid on the fact that \$750,000 of this \$1,100,000 is said to have been returned; but \$350,000 remain still on loan at last advices, and more than half of what has been returned is acknowledged to have been so since this investigation was begun.

How much would have been returned but for the publicity the transaction would have received and how much longer the \$750,000 would have remained on loan is a question; for it is with the Secretary and his friends the Cattells when credit shall be given to the Government for the proceeds of these collaterals. It is highly probable that the sum which has been returned to the Treasury is due to the ventilation the matter has received rather than to any diligence on the part of the Secretary. Another highly noteworthy feature of this October transaction is that the transmission of the money to London was accomplished by Cutter's buying bills of exchange from the New York agent of Jay Cooke, McCulloch & Co., Francis Ormond French, which indicates that the money was really put into their hands at the start and only nominally passed through the hands of Bradford. Several appropriations were trenched on to supply the funds advanced to the London house, and even the pay of the Navy was for a time withheld that enough might be placed with the house to sustain it. The pretext that this money was to be used in continuation of the naval account does not hold; for the naval account was immediately transferred to Bradford, who took up the drafts and relieved the house. Had nothing more been done, this relief to the house would have been in effect a loan to the amount of the drafts they would otherwise have had to pay. Had the Secretary stopped here by simply allowing them time instead of compelling them to meet their obligations promptly, he might have been excused for a mistaken mode "of dealing gently" with an unfortunate house; but when he goes on to lend them over a million more, all excuses fail.

The motive for all this favor may perhaps be found in the fact that Robeson's intimate friends and creditors, A. G. and E. G. Cattell, were Jay Cooke, McCulloch & Co.'s bondsmen, and had the house failed, must have lost \$100,000. Now, as I have before stated, there was a third remedy, which was perfect and complete, in the hands of the Secretary of the Navy of which he could have immediately availed himself. The basis of this balance or debt was a Treasury draft made to the order of Jay Cooke, McCulloch & Co. This draft was indorsed by Jay Cooke, McCulloch & Co. and by Jay Cooke & Co., both of these banking firms having representatives in this country and vast tangible and available resources which would have inured to the Government as a preferred creditor either in attachment or bankrupt proceedings. So, I repeat, that when the Secretary pretends that there was no other way for him to do than to make other advances to this firm to secure a liability which he could have prevented, his pretext is untrue and insincere. He states on oath that before any of his new deposits or advances were made to Jay Cooke, McCulloch & Co. the balances had been reduced to \$600,000. Mr. Bradford confirms this statement. Now I will show to this House and to the country by the statements of the Secretary himself that before he made the first of

his last advances, on October 20, 1873, to the firm of Jay Cooke, McCulloch & Co. he had within his reach in this country property enough of this firm alone to more than secure the balances in question. In the testimony of the Secretary, given a few days since before the committee, it is stated that he had received partial security for these advances. I will now enumerate those assets within his reach in this country:

Railroad bonds worth.....	\$138,000 00
Syndicate claim, (on Treasury).....	146,276 15
Railroad iron.....	200,000 00
Private estate of Hugh McCulloch.....	150,000 00
Official bond of house, (Cattells).....	160,000 00
Making.....	794,276 15

Deducting amount of balances, \$600,000, we have, after securing the debt, \$116,276.15 surplus. This, too, without touching any of the assets of Jay Cooke & Co., all of which were liable and subject to the preferred claim of the Government.

Now, Mr. Speaker, what becomes of this flimsy and disingenuous pretext of the Secretary of the Navy that he was compelled to make further advances of \$1,100,000 to save the sum of only \$600,000, which he pretends was in danger of being lost, and which was used as a convenient and desirable excuse for doing what he did do? The Secretary, in his anxiety to furnish some plausible grounds for so unwarrantable a use of the public money, asserted that a portion of the \$220,000, or \$1,100,000, was used to pay Navy drafts, by Jay Cooke, McCulloch & Co., in further support of his assertion and theory of justification. This is flatly and pointedly contradicted by Paymaster-General Bradford, who was present and paid over the money to this firm, and declares that he himself paid all the drafts out of another fund under the orders of the Secretary. That not one dollar of this \$220,000 was paid on Navy drafts by this firm is proved by the Secretary in his letter to the committee and in his oral testimony, which shows that before he made additional advances on collateral securities the existing balance was \$600,000. After that he advanced \$1,100,000, making \$1,700,000.

The Secretary has stated in two forms that when the firm of Jay Cooke, McCulloch & Co. ceased to pay Navy drafts they were owing the Government \$1,400,000, showing that they had not touched a cent of the \$1,100,000 or the \$220,000 to take up Navy drafts, the contrary of which he has boldly asserted. The statements that the Executive Departments in rendering information on this subject have arranged that information so as to make close and deliberate scrutiny needful to ascertain the truth is borne out by the facts that, while the payments of interest by Jay Cooke, McCulloch & Co. is dwelt on, the allowance of commissions is lightly passed over, while its effect is ignored, and that nothing was said about the use of time-bills in remitting the practice was elicited by repeated inquiry, while the use that can be made of them has never been stated at all.

Now, Mr. Speaker, I desire to pronounce the severest condemnation on this corrupting and antiquated custom and system of transmitting money to London to sustain our foreign naval account by bills of exchange at sixty and ninety days. It originated in the olden time when the uncertainty and slowness of sailing ships constituted our only means of communication with Europe, but in these latter days of fast steamers and the telegraph lines why has not our outworn and progressive Secretary of the Navy utterly annihilated it and substituted more direct, less tempting, less dangerous, and less corrupting means of remitting to London our naval funds?

By this method the public money goes into irresponsible hands, where it may be and doubtless has been used for speculation or loaned for the larger portion of the interval of time to the profit of those who have the handling. It is a fact that the sum of \$500,000 was in the hands of one of these agents for ten days in New York during the height of the panic in September, 1873, during which time, with the use of that amount of gold, a fortune could have been secretly made and then the money be sent to its destination. This method is also wholly needless, as the banking-house which meets naval drafts can reimburse itself at once by drawing and selling bills of exchange on the Secretary of the Navy.

Sir, this pernicious and dangerous custom gives the use of large sums of the public money to parties on one side or the other of the Atlantic for sixty or ninety days, when only about fifteen days are needed to transmit a bill of exchange, purchased and sent by an officer of the Government. Every banker through whose hands it goes, every day added to the necessary time for its remittance, increases the danger of loss and gives opportunity to corrupt bankers and Government officials to speculate with, and loan large sums of gold.

The public money for years has been at the mercy and use of Jay Cooke & Co. on this side, or at the mercy and use of Jay Cooke, McCulloch & Co. on the other side, wherever the greatest inducements were held out for profits. Sir, this rotten, dangerous, and tardy system which the present Secretary is following because others have done it before him should be abolished at once.

A more striking illustration of executive reluctance to give full information is the arrangement of Bradford's account-current, furnished by the Treasury, so as to conceal the holding of large balances by him, which a close analysis of that account reveals. He often held for some time balances of from \$100,000 to \$1,500,000, when there



was no occasion for holding any, as he could at any time sell a bill of exchange on the Secretary of the Navy wherewith to take up a draft. Whether these large balances, both in September, 1873, and afterward, were held by him for some one's profit is not clearly ascertained; but he admits that considerable sums were on deposit at Morton, Rose & Co.'s without interest; and, though he claims that other banks where he kept part of the money paid \$5,000 interest, the Government is not credited with this sum or any part of it in his account. Analysis of his account also reveals the fact that he repeatedly overdraw at his bank, sometimes to the extent of \$300,000 at a time. As it was needless for him to do this unless appropriations had been misapplied, and as he "always acted under orders," it is tolerably clear that some one benefited by this course. He informed the committee that "on his credit as a United States officer he could have borrowed a million, if necessary."

This suggests the inquiry whether in some indirect way, which the interrogatories put to him failed to cover or develop, he did not, under secret instructions, do this very thing to somebody's profit. In this connection, the coincidence is curious, between his having been kept at London more than two years after the emergency which detained him from his regular duties had passed, including a year after Jay Cooke, McCulloch & Co.'s successors, Seligman Brothers & Co. had been appointed and the large deposits in bank by Robeson, on his own personal account, during these two years. Bradford's bank account was largely overdrawn from February to July, 1874, which looks as though during that time the money that had been diverted from other appropriations to aid Jay Cooke, McCulloch & Co. was being quietly restored, money being meantime unlawfully borrowed to meet drafts.

Another case of misleading arrangement of information by the Departments is that, after the October transactions were complete, \$900,000 of bills of exchange to Bradford's order were bought from Jay Cooke, McCulloch & Co.'s New York agent, and appear on Bradford's account as transferred to them for disbursement; whence it follows that they were helped nearly a million more than Robeson has ever acknowledged.

Three hundred thousand dollars of this sum seems to have been used July 11, 1874, to make good Bradford's overdrafts at bank, and the remainder of that remittance of \$700,000 was exhausted in a month and large overdrafts again began.

Now, sir, the Secretary persistently asserts that £220,000, or \$1,100,000, was advanced to Jay Cooke, McCulloch & Co. in continuation of the naval account. This would mean, under the law, that it was intended by him to be used for the payment of Navy drafts. This assumption and assertion by the Secretary are unsubstantiated by one solitary reason or a scintilla of evidence except his own declaration. On the contrary, he knows that exactly the reverse is true; that this \$1,100,000 which was paid to Jay Cooke, McCulloch & Co. by General Bradford, by the special order of the Secretary, was an absolute loan of the public money, not one dollar of which was used to pay Navy drafts, he, the Secretary, directing the payment of all the drafts at that time by Bradford out of another fund. For all these reasons, and in view of the following statute, section 3670: "All sums appropriated for the various branches of expenditure in the public service shall be applied solely to the objects for which they are respectively made, and for no others," it is my firm and deliberate opinion that George M. Robeson, Secretary of the Navy, should be impeached of high crimes and misdemeanors.

The Partisan Attack on Secretary Robeson—Democratic Reform and their Platform Examined.

## SPEECH OF HON. J. M. THORNBURGH,

OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

July 31, 1876,

On the report from the Committee on Naval Affairs.

Mr. THORNBURGH. Mr. Speaker, months since when we saw the singular spectacle of the Naval Committee of this House sitting with closed doors, with the padlock of secrecy on the mouths of its members, and saw a cloud of witnesses hovering around the committee-room, composed to a very considerable extent of dishonest and discharged employes, disappointed bidders for contracts whose efforts to defraud the Navy Department had been seen and foiled, and persons of disreputable character, both men and women, some extremely partisan action like the report we have before us was easily foreseen. This secret star-chamber proceeding, after months of labor, have presented us a report which, without presenting specific charges against any one, yet throws a cloud of suspicion upon a large number of officers in our Navy whose gallant services in the past in the suppression of the rebellion and whose unstained honor has made them the pride of the Navy and of the nation. The extraordinary proposition is heard from the democratic majority to turn over the four thousand pages of printed testimony taken by one committee of

this House to another committee, in order that they, who have had no time or opportunity to examine it, may ascertain whether the Secretary of the Navy—a man of unstained reputation heretofore—trusted and tried in other high official positions, has violated any law or committed any crime or misdemeanor for which he can be impeached.

The Committee on Naval Affairs in this report both directly and indirectly smirched his administration, and have left a cloud of charges floating indiscriminately over the heads of all the officers of the Navy. They have lacked the courage or ability to point out the law that has been violated and the man or men by name who have committed any offense. If the Secretary of the Navy has done anything to justify it, present articles of impeachment, and we will put him on trial. If he has not, let us have the courage and manliness to say so.

But it is easily seen that the purpose is in the closing hours of this session to shirk all such responsibility and fair dealing, and turn it over to another committee who will be unable to report at this session, so that the truth cannot be known and the officers of the Government vindicated until after the presidential election. This I submit will be to strike a cowardly blow and run away. This proposed action comports entirely with the policy pursued by the democratic majority in this House throughout this entire session. This is a specimen of the kind of reform which the democratic party is trying to commend to the American people. This Naval Committee has been laboring in the interest of reform, not the ordinary kind which commends itself by pointing out abuses and proposing clearly defined remedies, but a kind of reform that can be only defined by calling it democratic reform, the sort of reform which forms the burden of the Saint Louis platform. And, Mr. Speaker, as entirely germane to this subject, for this is purely a political and partisan report, made because the interests of the democratic party demand it, I will take the occasion to examine somewhat in detail the reform platform democracy recently adopted and the kind of reformer they have placed upon it to bring a political millennium in these degenerate days.

The following testimony, contained in the Credit Mobilier report, taken by a committee of this House, will show something of the kind of a reformer Governor Tilden is. In his testimony taken by that committee Mr. Oakes Ames, the head and front of the Credit Mobilier corporation, said:

By Mr. HOAR:

Question. Why, instead of issuing capital stock to make up the balance of the Oakes Ames contract, did you not simply issue bonds or notes or other evidence of indebtedness of the company for the balance?

Answer. And not have any stock?

Q. Have a subscription of such an amount as you choose—large enough to govern the company only. You had some stock subscribed, \$2,000,000, and 10 per cent. paid in, before you started. I do not know that this has any bearing upon the case; but I wish to know why it was necessary to adopt this roundabout method of having the contractor nominally subscribe for a quantity of the stock. What advantage did you gain by the violation—for it was a violation—of the law?

A. Well, we wanted stock enough to vote on to control the road.

Q. But you have got nominally about \$38,000,000 of stock there?

A. Yes, sir. Is that too much?

Q. I do not mean to intimate that it was too much; but is not the note of a corporation worth more than its capital stock?

A. It is not so good for the corporation, though, because they will have to pay the note, and the capital stock is good for nothing. Stock is considered the best form in which a company can put these things, because they ain't obliged to pay anything on it unless they earn the money.

Q. But suppose that precisely the same parties in interest had complied with the law which requires them to subscribe what capital stock there was in cash and had subscribed two, three, or five millions of dollars, and issued the notes of the company, payable with interest at such time as they saw fit, why would not that have been better for the contractor and better for them, being at the same time a compliance with the law?

A. Persons engaged in railroads generally think that if they can get the capital into stock it is the very best way in which they can have it, because then they are under no obligation to pay anything upon it unless they earn it, while if they have notes and bonds out they must either pay or go to protest.

Q. But that is in cases where the ownership of the capital and the ownership of the indebtedness are in different persons. In this case you proposed to have the ownership of the capital stock and the ownership of the indebtedness in the same persons, substantially, who were represented by those seven trustees.

Mr. OAKES AMES. If you will allow me I will say a word in answer to that. The stock would go into the hands of various parties; those trustees could not carry the notes, and when the notes got about into different hands, first one would sue and then another would sue.

Q. Were you not informed by the counsel who drew the contract that this was a violation of the law?

A. We were informed by counsel whom we consulted that this issuing of stock as a payment upon the contract for building the road was in entire compliance with the law.

Q. Who were the counsel that gave you that advice?

A. Mr. Charles Tracy, Mr. Samuel J. Tilden, and Judge Allen.

Q. All of New York?

A. All of New York.

They were the parties that were consulted in this matter.

Q. Was this contract drawn before or after General Butler's visit to New York?

A. The Oakes Ames contract was before, and the assignment to the trustees was after.

Reform is needed, we are told, "to correct the omissions of a republican Congress and the errors of our treaties and diplomacy." Reform is always in order, and will be as long as humanity is aspiring and civilization advancing. Reform is simply growth, improvement, a change for the better. There can be no question as to the necessity of reform. It should be sought for at all times by individuals, States, and nations.

But who shall introduce it? How shall it be brought about? These are questions that people must answer for themselves, and no party

can claim that it has a special monopoly in the field of reform. If a party persists in claiming that no other party can bring about reform, the people will naturally ask in what special instance has it shown peculiar fitness as a reformer. If this question should be asked the democratic party, what single instance could it cite that would satisfy the people that its claim was well founded? I know of none. The democratic platform opens with the assertion that it is demanded. The republican party has been practicing it for the past fifteen years.

Reform, we are told from the Saint Louis platform, is needed to rebuild and establish in the hearts of the whole people the Union. If this had read "rebuild and establish the Union in the democratic party" it would have been to the point. The Union was rebuilt years ago, and has been established as firm as a rock in the hearts of republicans throughout the land. Apply the reform spirit where it is needed, among those who have hated the Union and who still act as if their hatred continued, and the world will applaud this plank.

Reform is necessary, they say, "to establish a sound currency, restore the public credit, and maintain the national honor." If this democratic platform did not so state, no one would believe it. A sound currency? When was the people blessed with a sounder one? Who has lost a dollar by the bill of a broken national bank? The work of the counterfeiter has been almost destroyed; from Maine to California the people are familiar with the currency; imposition is almost impossible. The currency is sound, the soundest we ever had, and the republican party has paved the way, and, if not interfered with, hope to make it by 1879 as good as gold and the soundest currency in the world.

"Restore the public credit?" Why it never was lost. It stands high to-day in the markets of the world. It stands better than ever before in our history. No State governed by the democratic party can begin to compare with it in credit. Even the best State stocks of New York, a State governed by the man who has been selected to restore a credit that never was lost, fall below it; while the credit of the Southern States, sapped of their vitality by democratic misrule, has sunk so low that it almost causes a blush when we read the quotations. But the national credit stands high, thanks to the wisdom, the ability, the integrity of the republican party. Reform of the credit of the Government! Would that this same party now howling so lustily this battle-cry had practiced a little of what they profess in my own State, where they are and have been for years in power, and have dishonored her fair name by almost hopelessly ruining her credit, leaving her obligations unpaid, allowing her debt and interest thereon to accumulate until already some of their own reform party are threatening the eternal disgrace of the whole people of one of the noblest and proudest States in this Union by repudiation. They have paralyzed her energies, crippled her resources, manipulated her bonded debt in the interest of democratic cliques and rings until her bonds are now quoted at forty-four cents on the dollar, and still no preparations for reform can we see in the future.

Tennessee is not the only State in the South where the people have seen some of the beauties of democratic financial reform. The State of Texas is democratic in every department, and the San Antonio Herald is one of the leading democratic organs, and will not be suspected of falsehood or even of exaggeration. It says:

In our Legislature the characteristic features are waste and extravagance. Offices are multiplied, salaries are increased, and the people's domain squandered in the most reckless manner; but the sacred trust, the school fund, amounting to \$200,000, committed to their fiduciary care, is also violently seized and appropriated to the payment of mileage and per diem.

This, let it be remembered, is done by the men who are clamorous for Tilden and his sort of reform. Nor is this the worst of the case. Under republican rule the State expenses were about \$200,000; now they are nearly two millions. In its issue of July 8 the San Antonio Herald says boldly:

Our State government is a curse and our laws are a mockery. By the apathy of the State government anarchy prevails and lawlessness and crime abound. The people must act in their own defense; the governor and Legislature will not.

This is a picture of democratic reform drawn by a democratic pen.

Other instances of democratic reform of the same kind, where they have exercised full power, could be cited. It is enough to say these given are the rule and not the exception of the kind of democratic reform the States have enjoyed under democracy. In order to show that this cry of "reform in our national credit" is wholly for political effect, I will give the quotations of our national securities at the stock exchange in New York:

United States loan 6 per cent. registered, 1881.....	1194
6 per cent. coupon, 1881.....	1204
5-20 registered, 1865.....	1164
5-20 coupon, 1865.....	1162
5-20 registered, new issue, 1865.....	1172
5-20 coupon, new issue, 1865.....	1172
5-20 registered, 1867.....	1194
5-20 coupon, 1867.....	1192
5-20 registered, 1868.....	1212
5-20 coupon, 1868.....	1212
10-40 registered.....	1172
10-40 coupon.....	1182
5's registered, 1861.....	1162
6's coupon, 1861.....	1172
6's currency, 1895-99.....	1252
American gold.....	1112

But they say also in their platform they want to come into power

"to maintain the national honor." When did the national honor stand higher than to-day? Where is the nation, great or small, that does not respect the United States more to-day than ever before? England does; France does; Germany does; Russia does; all the great powers look up to us as never before in our career. If any disrespect has been shown our national honor, it has been by our own people, by the commission of lawless acts in the Southern States in defiance of national authority and the common pleadings of humanity.

With a sound currency, with good credit everywhere, and with a national honor equal to the most favored nation, how supremely foolish sound these partisan denunciations which were breathed at Saint Louis and put together and called a platform, denouncing as a failure what the people know to have been a success and what the historian will record as the grandest financial success of the century; denouncing as financial imbecility and party immorality a currency system which has made it possible for the nation to meet its heavy obligations without disturbing the business interests of a single community or trenching upon the rights of a single individual. If this system, which has given the nation a uniform currency, is the result of financial imbecility, what, I would ask in the name of reason, constitutes financial wisdom? But the eagerness of all classes, high and low, rich and poor, republicans and democrats, to secure a share of this currency and to hold fast to it when other values are gladly surrendered gives the lie to this charge and proves to my satisfaction that, no matter what is said in this platform, those who made it do not believe in the truth of what they uttered.

A sound currency, that we are all glad to get and sorry to part with; over \$600,000,000 paid on the national debt; internal taxes reduced in amount from \$309,226,813.42 in 1866 to \$110,007,493.58 in 1875; our national securities higher than ever and sought after by the capitalists of the whole world, are items in the financial policy of the republican party that challenge the admiration of the American people. The Saint Louis denunciations are but empty sounds, devoid of truth and lacking the semblance of plausibility. The platform can scarcely be called a "declaration of principles," but would be better suited for a violent partisan campaign document, if it were not false in its statement of facts, false in its theories, and false in its conclusions; for even a campaign document ought to be true in all these respects.

While I am not among the older and more experienced members of this body, I have lived long enough to see the majority of the people in districts and States deluded as were "the children of Israel when God sent upon them a strong delusion that they might believe a lie." The masses in the Southern States could never have otherwise been led by their political orators and newspapers into rebellion; that the theories and principles which they taught were fallacious, and the hopes they inspired were a delusion and a fraud, no one can now deny.

Only two years ago democratic orators made themselves hoarse and democratic newspapers were frantic at the untold and unceasing miseries that would be forever entailed upon the American people should the "civil-rights bill" become a law. In many sections of the country the public mind was excited. The vivid pictures so artfully drawn of the great national calamities to follow the passage of that measure deceived many honest men, and to this fraud and delusion many gentlemen on the other side of this Chamber are permitted to hold their seats in this House to-day. The bill did become a law. Who has felt any of the fearful evils so vividly pictured? And now, having gained a majority in one House of Congress by deluding and deceiving the people upon false issues, false in fact, false in theory, and false in conclusions, they renew their efforts to manufacture other material of the same character for the coming campaign. Unable or unwilling to go into the contest on issues which are real, tangible, pertinent to the public interests, needing discussion and future action by whatever party shall be in power, they have gone vigorously to work and have wasted months of this session of Congress, prolonged the session, and spent nearly half a million dollars of the people's money in endeavoring to find a slender pretense on the evidence of witnesses many of whom would not be believed in a court of justice to charge extravagance upon the republican party and corruption on its favorite leaders. They hope again by such tactics to delude and deceive enough of the people to control the elections by an unceasing howl of extravagance and corruption, by wholesale slander against republican officials, and then with unblinking impudence present democracy as a reform party, and a Tammany-hall leader, the former colleague of Tweed & Co. and the attorney and adviser of Credit Mobilier swindlers, as the great reformer of the age. But to return to their platform.

Reform is necessary to secure the resumption of specie payments, is it? I think not; for the day has been already decided upon, and no claim has yet been made that it is too far off. Can democracy secure it sooner? It makes no such pretension. It simply denounces the republican party for taking no steps in that direction, and yet with its usual consistency demands the immediate repeal of the only practical measure that it has taken. In other words, it condemns it for not doing a certain thing and then denounces it for doing that very thing. Well may we exclaim, "Humbug, thy name is democratic reform!"

Reform is necessary to secure a better system of finance than we now enjoy. What is this better system? Can any one tell? The



platform of the democratic party is not very explicit. It says in the language of a Chesterfield and the ambiguity of the Chinese tongue:

We believe such a system, well devised and above all intrusted to competent hands for execution, creating at no time an artificial scarcity of currency and at no time alarming the public mind into a withdrawal of that vaster machinery of credit by which 95 per cent. of all business transactions are performed, a system open to the public and inspiring general confidence, would from the day of its adoption bring healing on its wings to all our paralyzed industry, set in motion the wheels of commerce, manufactures, and other mechanic arts, and renew in all its natural sources the prosperity of the people.

This is all very pleasing, but what is this system that is to bring healing on its wings to all our paralyzed industry, set in motion the wheels of commerce, manufactures, and other mechanic arts, and renew in all its natural sources the prosperity of the people? Why has it not been brought forward by the majority of this House? Is it to be kept a profound secret? Have letters-patent been applied for or a caveat filed to protect the inventor? Let us have it now, for if it is all that is claimed for it, there will be no "dead lock" on its passage. Come, O system of Utopian promise! come with healing on your wings! Is there a democrat on this floor who can refuse this splendid opportunity to immortalize his name by introducing this magical system, born of the angels but now unfortunately under the especial guardianship of the democratic party? There is no such system, and none know it better than the very gentlemen who penned those brilliant, worthless promises. If I am wrong in the statement, will the democratic Committee on Banking and Currency tell us what this system is? If it is known it can be described. If it cannot be described, then it is not worth the language thrown away upon it. If it stands to finance as the Keeley motor does to mechanics, then let us know all about it or cease to further humbug the public.

We are told that reform is needed "in the aim and mode" of Federal taxation. The aim of Federal taxation is to secure money enough to pay the expenses of the Government. Is not the aim a laudable one? Where can reform be applied to this? The mode of Federal taxation may be a fair question for debate, but the present mode is certainly not "a masterpiece of injustice," as it has been called. The people have recognized it as the best possible under the circumstances. It would be pleasing if it could be abolished without injury to the public interests, but it cannot be. The expenditures which have grown out of the rebellion must be met. Large revenues have become a necessity. No honest man would repudiate our national obligations. Therefore our internal-revenue tax must continue to be collected, though it may be possible to somewhat simplify the mode of collecting it. This I have endeavored to do, so that in sparsely populated sections of the country those who desire to manufacture spirits and raise tobacco on a small scale may be enabled to do so and avoid the harsh and rigorous provisions of the law made to control the immense establishments of other sections. But for eight months our democratic Committee of Ways and Means have been unable to reform, or to propose or agree to any measure which will reform, either the mode or the aim of collecting the internal-revenue taxes. If there is a better way, give it to the people. Bills are introduced and buried in the committee. Eight months is certainly long enough to devise some means, if any exist, in the mode of assessing and collecting internal-revenue taxes; either present us one or cease this cry of demagogism.

Again, we are told that reform is necessary in the scale of public expenses, Federal, State, and municipal, and to give force to this assertion we are told that "our Federal taxation has swollen from \$60,000,000 gold in 1860 to \$450,000,000 currency in 1870; our aggregate taxation from \$154,000,000 gold in 1860 to \$730,000,000 currency in 1870, or in one decade from less than \$5 per head to more than \$18 per head." I know nothing about the correctness of these figures, but I do know, and the democrats know, the cause of this large increase. It represents the price paid by the people for the Union. Is it worth the money expended? If it is, and I believe it is, then the burden imposed upon us should be borne cheerfully, and I have faith enough in the American people to believe that it will be.

But, Mr. Speaker, it provokes both a smile and a feeling of indignation to hear the charge made against the republican party by democracy that the expenses of the Government are increased and too great, that taxes are burdening the people, that there are too many clerks and employees in the Departments, and our wicked extravagance has brought it about. Do they think the memory of the American people is so short as to forget that the democratic party of the South entered into a four years' rebellion, and was aided and encouraged by many of their northern brethren who are co-operating with them to-day? Do they suppose the people do not know that billions of treasure was a part of the price we paid to preserve the union of the States and make this happy centennial rejoicing possible? Do they not know who laid these burdens that are so hard to bear on our shoulders? We pay to-day about ninety millions interest on the money we borrowed to put down the rebellion. We pay about thirty millions more in pensions to disabled Union soldiers, their widows and orphans; we pay many millions more to officers of the regular Army on the retired list; for the examination and payment of claims for supplies taken; increase of clerical force to regulate and preserve the enormous records accumulating from a four years' war with two millions of men on the rolls—all this growing directly out of the rebellion. Yet the men engaged in that rebellion and those in full sympathy with them then as now are loudest in bitter denunciation of the

extravagance of the republican party; or, to quote the language of an able Senator, they tell us—

You republicans did not conquer our rebellion quite as cheaply as you ought to have done; you have not handled taxation and the public debt and the other consequences growing out of our treason as well as you ought to have done. Therefore we are indignant about it. You ought to have done this business better; you ought to have whipped us at half the expense, and you did not. We propose to take the Government out of your hands and ourselves to settle with and deal with the consequences of our own crimes and blunders.

Municipal reform and economy are necessary. No one doubts it. The city of New York is an example of this need. What reform has democracy instituted there? It has had an undisputed field. What has it accomplished? It has increased the city debt from \$36,000,000 in 1867 to over \$132,000,000 in 1876. Yet there has been no war to carry on, no extraordinary expenses to meet. Is this the kind of reform democracy would bring to the nation? If it is, our national debt would be nearly \$10,000,000,000 before the close of a single term of democratic control. If democracy has done better than this in any other city where it has had control, let us have the name of the city and the character of the reform established.

As for the practice of economy in public expenditures, I believe in it. The republican party practice it. But saving money does not always indicate economy. You may refuse to build a light-house where one is needed and thereby save a few thousands of dollars, but you inflict an injury on commerce and on humanity which cannot be calculated in dollars and cents. You may refuse to finish a public building and thereby keep a few thousands in the Treasury, but the work is needed and must some time be executed. You have simply postponed payment. There is no economy in that. You may cut down your appropriation bills several millions, but you risk a serious injury to the public service which you have no right to incur. You may stop public improvements, discharge mechanics and laborers, shut up factories and workshops engaged on public works, and may call this economy, but it is not economy. You have set an example for those who have money and ought to spend it to withhold expenditures, shut down on labor, and thus you have contributed to the general stagnation of business. Is this economy? You may call it economy, but the people next November will call it by its right name, political stupidity.

You may cut down the pay of the overworked and faithful letter-carriers, who serve the people early and late, through sunshine and storm, exposed to the fierce heat of summer and the extreme cold of winter, but this is not economy; it is legalized injustice, and will be so regarded when the people come to render their verdict.

You may reduce salaries established when democracy was in power, and then none too large, when gold was the currency of the land and when every article entering into household consumption was cheaper than now; but this is not economy, it is simply parsimony uncalled for by any exigency of the times and indefensible on any grounds except those of partisan warfare.

You may save a few thousands of dollars by withdrawing the fast mails, and might appear to save more by returning to the old stage-coach system of transportation, but you cripple the postal service, and entail a loss direct and indirect on every business man who values quick dispatch and to whom the very earliest information has become a vital necessity. You may call this economy, and may argue on this floor that it is, but when you return to your constituents you will discover that you have committed a blunder that cannot be excused or justified on any grounds of public necessity.

True economy consults public interests and may often be found in the increase rather than in the diminution of public expenditures. By refusing to appropriate sufficient money for the proper care of our navy-yards, arsenals, mints, custom-houses, and other public buildings that constantly need to be watched and repaired, you actually waste the public funds, for you entail upon subsequent years expenditures that would be unnecessary if a proper sum had been appropriated to care for and properly guard the property of the Government. The sailor who fails to stop a leak when he first sees it may discover when too late that his folly and neglect have cost him a ship.

It is not economy to refuse sufficient appropriations for the rivers and harbors scattered all over this broad land which can easily be made navigable by a reasonable expenditure, unless in the same bill you incorporate useless and reckless expenditures on "creeks that will not swim a duck," and where the engineers report that the first thing necessary is a steam-pump to pump up the water to start a river. And yet this is the character of *economy* we have seen practiced in this House where the democratic party is in power. I do not claim that republican legislation is perfect, that errors have not been committed; but I do claim that it stands ready to punish its dishonest officials, correct its errors, and that the American people can with far more confidence intrust the administration of this Government in its hands than to turn it over to democracy.

Again, we are told that reform is necessary in the civil service, and are further informed that—

Experience proves that efficient economical conduct of the governmental business is not possible if its civil service be subject to change at every election, be a prize fought for at the ballot-box, be a brief reward of party zeal instead of a post of honor assigned for proved competency, and held for fidelity in the public employ.

Does democracy practice what it here preaches? Can it be claimed that the republican officials, many of them wounded ex-Federal sol-

diers, who were removed by the majority of this House, were less efficient than the democrats who were appointed to their places? If they were as efficient why were they removed? Everybody knows they were removed because they were republicans. Had they been democrats they would have been retained. I refer to the radical changes made in the employés of this House since democracy controlled it simply to show that the democratic Solons of Saint Louis differ very widely from the democratic Solomons here assembled, or Saint Louis was insincere in its pretensions. I prefer to believe the latter, for a close observation has convinced me that democracy is about the same everywhere; it believes in democracy, it surrounds itself with democracy, it makes war on anything or everything that appears hostile to democracy.

If offices should be held by men as a reward for competency, as a post of honor for fidelity in the public employ, why did the official ex decapitate men of tried ability and known integrity in this House? Why was it used so fiercely when Tilden replaced John A. Dix, and swept the State of New York of republican officials? Why is it that in every State, county, town, or city where democracy controls the appointments that none but democrats are found in office? The answer is plain. It is simply because it is the policy of the party to surround itself by its friends; and in the full glare of this policy the reform alluded to in the Saint Louis platform seems to be as much out of place as a prayer meeting would be in Tammany Hall. Again allow me to exclaim, "Humbly, thy name is democratic reform."

There may be abuses which have crept into the civil service, but these can be corrected without destroying the party that has built up a civil service which is as honorable and as efficient as any in the world. To say that "the first step in reform must be the people's choice of honest men from another party," is to say that the only way to stop a leak is to destroy the ship and build another; or, to make an illustration more applicable, to destroy a vessel that is known to be staunch and sea-worthy and to replace it with one that is believed to be worm-eaten below the water-line and badly damaged above, and likely to go to pieces with the first blast of the elements.

Yes, reform is necessary, and always will be until the end of time; but how is it to be brought about? Our plan is to select the very best men in the republican party, point out where reform is needed, and let them do the work, and bring to swift and certain punishment all dishonest officials. What is the democratic plan? We have it announced in the platform. "Reform can only be had," says this oracular piece of timber, "by a peaceful, civil revolution." Omnipotent words. The last attempt of a large portion of this same party at revolution was not "peaceful," though that promised in the beginning it would be. It failed; and now the same portion is to try the virtues of a peaceful revolution. Will it succeed? First let us ask, should it? Is there anything in the present condition of public affairs that would justify a revolution of any kind, peaceful or otherwise?

Our national policy is a good one. Our foreign relations are satisfactory. We are in the enjoyment of peace abroad and, with the exception of our Indian troubles, peace at home. Democracy asks for support on the grounds that it has accepted the results of the war and the amendments of the Constitution as binding. If this is so, why the necessity of a revolution to bring out reform, when every measure of the republican party is in exact accord with the changed condition incident to these results and amendments? What is the meaning of revolution? It is something more than a change for the better, it is a complete overthrow of existing affairs, and whether it comes in the shape of politics or war it leaves in its track a desolation that can only be justified by the plea that it was the last resort of an oppressed people. Webster says in defining the term, "a revolution in politics is the consummation of a rebellion or revolt against the established or existing government." Is this "peaceful revolution" which the democratic platform tells us is the only means whereby reform can be brought about "the consummation of a rebellion or revolt against the established or existing government?" If it is, then indeed the people should be informed of its character, and forewarned that its object is to secure by peaceful revolution what an armed rebellion failed to secure by the sword. If it is to be a revolt against the established Government, under the cover of politics, who that loves his country can hesitate in deciding on which side he belongs?

If the price to be paid for democratic reform is revolution, even though it be peaceful, the people will have none of it, but will reject it as they did the reform which was proclaimed in the bugle-blasts of war and in the tread of mighty columns armed to enforce it.

Revolution is distasteful in any form to the American people. Whether peaceful or warlike they will accept it only as a last resort. That contingency has not yet arrived, nor will it as long as patriotism and loyalty remain in power. I have an abiding faith in the good sense of the majority, and I feel assured that whatever reform is to be brought about will be inaugurated by the party that has defended the nation in its hour of trial and guided it with unparalleled wisdom through eleven years of peace.

The voice of the people will be heard in November through the ballot-box, not calling democracy into power, but in a full, hearty indorsement of the republican party and the patriotic work that it has performed. The ballot has not yet failed us, and never will as long as patriotism, loyalty, and integrity are the ruling elements in

the land. On the ballot we rely for the vindication of our work and the purity of our motives. It is the true reformer that brings about improvement without revolution and corrects all wrongs without exciting rebellion or revolt. When its voice, denouncing democracy and sham reform, shall be heard, the revolutionists of the land will be forced to acknowledge that—

There is a weapon surer yet  
And stronger than the bayonet;  
A weapon that comes down as still  
As snow-flakes fall upon the sod;  
But executes a freeman's will  
As lightning does the will of God.

Pacific Railroads.

## SPEECH OF HON. W. S. HOLMAN,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

July 7, 1876.

The House having under consideration the bill (H. R. No. 3672) to amend the act approved July 2, 1864, entitled "An act to amend an act entitled 'An act to aid in the construction of a railroad and telegraph line from the Missouri River to the Pacific Ocean, and to secure to the Government the use of the same for postal, military, and other purposes,' approved July 1, 1862," and other acts in relation to the railroad companies therein named—

Mr. HOLMAN said:

Mr. SPEAKER: The House is anxious to dispose of this bill, and I shall content myself in the main by expressing my unqualified approval of the objects of this measure. The discussion of this bill by the gentleman from Ohio [Mr. HURD] does not rise, it seems to me, to the magnitude of this question. This is not a question between the Government of the United States and a mere private corporation; the question presented is not analogous to that arising upon a supposed contract between the government of a State and a corporation organized under its laws for the promotion of private or even public objects, or for business purposes and private gain; but it is a question of high public and national policy, directly affecting the affairs of the National Government, not simply in a financial view, but in the higher view of public agencies and the efficiency of government. Perhaps, having heard this subject discussed in 1862 in and out of this Hall when the original bill passed, and in the still more animated and practical discussion of 1864, when the important enlargement of the measure was carried, my views may be greatly influenced by the opinions then expressed. But gentlemen must see from the nature of the measure and the magnitude of the Government subsidy that Congress in legislating upon this subject considered the construction of the Pacific Railroad as a great public and political measure. The railroad was to be constructed as an agency of the Government, and although to be largely under private control it was in its original object and purpose as much a concern of Government as if constructed under one of the Bureaus of the Departments. In the origin of the measure, in the creation of these corporations, and in the vast subsidies of lands and bonds, governmental and national objects only were primarily considered; the closer union of the States of the Atlantic and Pacific, then a measure of vital moment, and not the speculation and private gain of the corporators. These great powers, it is true, were ultimately employed through corrupt agencies for mere private gain, but the original purpose was national. The Pacific railroad system was in no sense a private enterprise for individual profit, but a measure of public policy for the nation.

The whole question is involved in the sixth section of the original act declaring the conditions upon which this corporation should be created and the object to be accomplished, and in the repealing clause in the eighteenth section of the original act. These two provisions taken together indicate the exact purpose of Congress and the exact relations which the Government occupies toward these great corporations, which were being created for high political purposes. The sixth section to which I refer, the sixth section of the original act, reads as follows:

*And be it further enacted*, That the grants aforesaid are made upon condition that said company shall pay said bonds at maturity, and shall keep said railroad and telegraph line in repair and use, and shall at all times transmit dispatches over said telegraph line, and transport mails, troops, and munitions of war, supplies, and public stores upon said railroad for the Government whenever required to do so by any Department thereof, and that the Government shall at all times have the preference in the use of the same for all the purposes aforesaid, (at fair and reasonable rates of compensation not to exceed the amounts paid by private parties for the same kind of service;) and all compensation for services rendered for the Government shall be applied to the payment of said bonds and interest until the whole amount is fully paid. Said company may also pay the United States wholly or in part in the same or other bonds, Treasury notes, or other evidences of debt against the United States, to be allowed at par. And after said road is completed, until said bonds and interest are paid, at least 5 per cent. of the net earnings of said road shall also be annually applied in the payment thereof.

The purpose of this great enterprise is too manifest for argument: the creation of facilities for national intercourse and for the employment of national powers.

It was an agency of the Government, and not a private corporation



or a series of private corporations for the purposes of individual gain. The railroads to be constructed were to be agents of the Government and the corporations then being created were but instruments to that end. I now read the repealing clause of the 18th section of the original act:

And the better to accomplish the object of this act, namely to promote the public interest and welfare by the construction of said railroad and telegraph line, and keeping the same in working order, and to secure to the Government at all times (but particularly in time of war) the use and benefits of the same for postal, military, and other purposes, Congress may, at any time, having due regard for the rights of said companies named herein, add to, alter, and amend or repeal this act.

I think this clause, more clearly than even the sixth section of the act, indicates the character of this railroad system, the purposes of the Government, and the design of the law.

To accomplish the object of the act, "namely, to promote the public interest and welfare," and to secure to the Government at all times, and particularly in time of war, the use of this railroad and telegraph "for postal, military, and other purposes," to secure these objects Congress may at any time, having due regard to the rights of said companies, "add to, alter, and amend or repeal this act."

Can any judicial mind reading these two provisions deny that these corporations were simply designed to be subordinate agents of the Government? The Dartmouth College case could not possibly apply to this act and to these corporations even if the constitutional limitation as to impairing the validity of contracts applied to the Federal Government as well as to States. But it does so apply for the most obvious reason, that no people in the exercise of their most absolute sovereignty as expressed in their government could consent to such a limitation. Every inevitable change in the measure of values might impair the validity of contracts, the exigencies of a government might involve the most serious perils fatal to national existence if such a limitation, proper as to the local government of a State, was applied to the collective States as a nation. It could not be assumed that the whole people in the expression of the highest attributes of sovereignty as a government—a nation—equally affecting all, could be unwise and unjust. For that reason this limitation as to the obligation of contracts was not imposed upon the Federal Government by the Constitution, although it was expressly imposed by the Constitution upon the several States. The Federal Government has time and time again impaired indirectly the obligation of contracts, and the emergency fully justified it. These roads were constructed as agents of the Government, to be used by the Government in time of peace for postal services and in time of war for the transportation of military supplies and of military forces. It was for this reason that the system received the fostering care of the Government—was brought into life by the Government. Congress must determine in what emergency the act creating these corporations shall be altered or amended. It is of the first importance to the Government that these corporations shall be kept solvent, and instead of their contracting and carrying vast liabilities which will ultimately greatly embarrass their fulfillment of their obligation to the Government in peace and in war, that such liabilities should be liquidated from time to time as their revenues shall justify, instead of these revenues being withdrawn to promote the private fortunes of the corporators and permitting the liabilities to accumulate year after year, and then crushing down by their weight the corporations and rendering them unable at least for the time to meet the requirements of the Government.

In other words, it is to the interest of the Government that these corporations should be able without interruption to perform the service for the Government for which they were organized. With ample revenues it is clearly in harmony with the rights of these corporations and their obligations to the Government that the debt due to the Government, and by which in fact these great roads were created, should be provided for year by year out of their earnings, so that they may be able to promptly fulfill at the end of the thirty years their engagement "to pay said bonds at maturity." And it is clear that if these bonds are paid at maturity, which of course involves the payment of the interest and principal, a sinking fund must be provided for, else, as indicated during the last few years, these great railroads built by the munificence of the Government, instead of remaining under the control of solvent corporations, will simply furnish vast facilities for a succession of skillful and unscrupulous managers to build up imperial fortunes, and at the end of the thirty years, or long before that time, to permit the corporations to become hopelessly insolvent and secure the sale of their respective roads under the first mortgage, which by the dishonest management of the incipient Credit Mobilier, in 1864, on this floor secured the priority and the postponement of the Government lien for the means by which the roads were to be and were built.

By the act of 1864 amendatory of the act of 1862, and under which the Credit Mobilier was organized and the Union Pacific Railroad and the other roads were constructed, three important changes were made in the act of 1862, but neither of them affects the general purpose of the original act. First, the lien of the Government was postponed in favor of the mortgages of the companies for an amount equal to the Government bond subsidy; second, the Government was to retain only one-half of the sums that should accrue to the companies for the transportation of troops and supplies and the like, to be applied upon the debt that should be due to the Government for bonds and interest, and should pay the other half over to the companies. The effect

of these two provisions was, in fact, to double the subsidy and diminish by one-half the means by which the Government should be reimbursed; and, third, a general right of repeal. The last section of the act of July 2, 1864, is as follows:

Sec. 22. And be it further enacted, That Congress may at any time alter, amend, or repeal this act.

From my view, this general power to "alter, amend, or repeal" the act does not change or enlarge the power retained by Congress under the original act of 1862. Under either act the rights of the companies as well as of the Government, and the nature and purpose of these corporations, are to be considered in determining what amendments or alterations are just and proper. What then is the state of the case? These companies are indebted to the Government for the means by which the roads were built and equipped, and for interest paid by the United States on the bonds issued, as per the following statement which I clip from the public-debt statement of June 30, 1876:

*Bonds issued to the Pacific railway companies.*

(Rate of interest 6 per cent., payable January and July.)

Name of railway.	Principal outstanding.	Interest repaid by transportation of mails, &c.	Balance of interest paid by the United States.
Central Pacific.....	\$25,885,120 00	\$1,231,213 76	\$10,573,037 51
Kansas Pacific.....	6,303,000 00	1,448,327 39	1,844,655 70
Union Pacific.....	27,236,512 00	4,079,704 77	8,621,718 24
Central Branch, Union Pacific.	1,600,000 00	44,408 05	765,400 21
Western Pacific.....	1,970,560 00	9,367 00	772,129 94
Sioux City and Pacific.....	1,628,320 00	39,470 28	692,083 21
Totals.....	64,623,512 00	6,852,491 25	23,289,021 81

These bonds were issued under the acts of 1862 and 1864, are payable thirty years from date. The whole interest paid by the United States is \$30,141,513.06. The companies have repaid to the United States by the transportation of mails, &c., the sum of \$6,852,491.25, leaving still due to the United States the sum of \$23,289,021.81.

So the Government has subsidized these companies up to this date as follows:

Bonds issued.....	\$64,623,512 00
Interest paid on these bonds and not refunded.....	23,289,021 81
Total.....	87,912,533 81

To which should be added the land subsidy of 30,931,766 acres, a territory nearly one-third larger than the great State of Indiana, which I have in part the honor to represent. This is the imperial possession which these companies have obtained from the Government, to say nothing of the exorbitant charges made for the transportation of troops and supplies, one-half of which, by the extraordinary decision of the Supreme Court, they are able to extort annually from the public Treasury, notwithstanding they are indebted to the Government \$23,289,021.81 for interest advanced on their bonds.

The net earnings of these companies, so far as reported to Congress, for the last year were as follows:

Union Pacific.....	\$6,148,365 67
Central Pacific.....	8,031,498 13
Kansas Pacific.....	1,212,722 63
Sioux City and Pacific.....	210,220 66
Total.....	15,602,807 09

And thus the few enterprising gentlemen, mostly stock-brokers of New York City, who corrupted Congress, secured the passage of the act of 1864, organized the Credit Mobilier—through which, by direct fraud, in which many public men were induced to participate, a gain to dishonesty and a loss to the people of the vast sum of \$43,925,328.34 occurred—are permitted to divide among themselves, after paying all the expenses, the sum of \$15,602,807.09 annually, while the labor of the country pays the interest on the very bonds out of which their enormous profits flow and is running a great risk of ultimately paying the bonds.

And what is now proposed by this bill? Simply that these companies shall pay into the national Treasury annually a sum which in the aggregate will approximate to the amount that will be due upon the principal of the bonds and interest paid by the Government at the end of the thirty years. I say approximate, for the sums required to be paid annually will not fully meet the debt.

The provision in the sixth section of the original act, which I have quoted, requiring the companies to pay annually at least 5 per cent. of the net earnings of the roads on the bonded indebtedness, is wholly insufficient to protect the Government. What the net earnings shall be is a matter within the control of the companies. The corporators by exhaustive salaries and special contracts can make these net earnings a mere bagatelle. Something far more effective than this is required. I think that that clause requiring the companies to pay at least 5 per cent. of the net earnings annually, coupled with the general power of amendments in the eighteenth section, make it very clear that the amendment proposed by the pending bill providing for a sinking fund is in perfect harmony with the laws under which these roads were constructed.

The case is very clear. Congress must either intercept annually a portion of the net earnings of these corporations and put it into the Treasury, or at the end of the thirty years a debt of at least \$160,000,000, after all deductions, will rest upon these companies, independent of the prior-lien mortgages for \$64,623,512, and the successive armies of skillful and artful lobbyists will have retired with imperial fortunes; and besides the loss of over thirty million acres of the just heritage of labor, that same labor will bear the loss of the \$160,000,000. It must be borne in mind that the prior mortgage of \$64,623,512 will still remain unpaid, and it is manifest that if the Government does not anticipate the state of this indebtedness prior to the expiration of the thirty years by some measure at least as effective as that proposed by this bill, the Government will pay the bonds and interest, without the possibility of its being refunded. Our experience with these corporations renders this absolutely certain, unless the whole policy of the Government shall be changed.

I trust, sir, that this measure will pass this House with such a degree of unanimity as will secure its further prompt and effective consideration until it shall become a law. The measure is eminently just and proper. No refined technicalities should be allowed to defeat it. The Dartmouth College doctrine of vested rights can have no application here, and if it could the history of this Union Pacific Railroad and its associate lines and branches, the fraud in which the act of 1864 was conceived, the venality it inspired even in this Hall, the wrenching of parliamentary law to subserve its purposes, and the subversion of honest legislation to the revolting cupidity of the lobby which it inspired, and the long line of measures that followed it in which the very fountains of the law were polluted and Government became but an instrument of personal and dishonest gain, tell too plainly to the American people that that doctrine, while well enough as an abstraction and as applied to a particular case, cannot be adhered to as a final maxim of law unless it is conceded that the most vital interest of the people shall be at the mercy of the venal and unscrupulous lobby which at times usurps the power of enacting laws.

This measure is subject to no such embarrassment. Its provisions are forbearing, reasonable, and just, and it will become a law unless the power of these corporations is stronger than the sense of justice in the American Congress.

#### Subsidiary Silver Coin.

### SPEECH OF HON. A. CAMPBELL, OF ILLINOIS,

#### IN THE HOUSE OF REPRESENTATIVES,

July 13, 1876.

On the conference report relative to the issue of subsidiary silver coin.

Mr. CAMPBELL. Mr. Speaker, in whatever phase this currency question is presented it is sure to take a wide range, embracing in its scope the whole subject of money and payment of the public debt. Judging from the arguments advanced by all parties to the controversy, it would seem that as to the end, they were agreed. All profess to be in favor of honest money and honest payment of the debt in accordance with the letter and spirit of the laws under which it was contracted. But upon the question of what is honest money and what constitutes honest payment of the public debt, they differ as wide as the poles.

Assuming both parties to this controversy to be sincere in their professions of honesty and honor and the maintenance of the public faith inviolate, the opposite conclusions at which they arrive as to the nature of the obligation, what constitutes honest payment of the public debt, and maintenance of national honor, can only be accounted for by a different interpretation of the laws under which the debt was contracted. As this disagreement can only be settled by reference to the laws under which the debt was created, I will present in brief the acts and parts of acts as to which there is a difference of opinion between the parties.

By the act of February 25, 1862, the issue of \$150,000,000 of legal-tender notes was authorized, which were made receivable in payment of all taxes, internal duties, excises, debts, and demands of every kind due to the United States except duties on imports, and of all claims and demands against the United States of every kind whatsoever except for interest upon bonds and notes, which shall be paid in coin, and shall also be lawful money and a legal tender in payment of all debts, public and private, within the United States except duties on imports and interest as aforesaid.

By the act of July 11, 1862, there was again an issue authorized of \$150,000,000, receivable in payment for all loans made to the United States, and of all taxes, internal duties, excises, debts, and demands of every kind due to the United States except duties on imports and interest, and of all claims and demands against the United States except for interest upon bonds, notes, and certificates of debt or deposit, and shall also be lawful money and a legal tender in payment of all debts, public and private, within the United States except duties on imports and interest as aforesaid.

By the act of March 3, 1863, a third issue was authorized of \$150,000,000, which notes so issued, says the act, "shall be lawful money and a legal tender in payment of all debts, public and private, within the United States except for duties on imports and interest on the public debt."

The following is the act of March 18, 1869:

*Be it enacted, etc.* That in order to remove any doubt as to the purpose of the Government to discharge all just obligations to the public creditors, and to settle conflicting questions and interpretations of the law by virtue of which such obligations have been contracted, it is hereby provided and declared: That the faith of the United States is solemnly pledged to the payment in coin or its equivalent of all the obligations of the United States not bearing interest known as United States notes, and of all the interest-bearing obligations of the United States, except in cases where the law authorizing the issue of said obligation has expressly provided that the same may be paid in lawful money or other currency than gold and silver. But none of said interest-bearing obligations not already due shall be redeemed or paid before maturity unless at such time United States notes shall be convertible into coin at the option of the holder, or unless at such time bonds of the United States bearing a lower rate of interest than the bonds to be redeemed can be sold at par in coin.

And the United States also solemnly pledges its faith to make provision at the earliest practicable period for the redemption of the United States notes in coin.

Section 13 of an act approved February 12, 1873, provides—

That the standard for both gold and silver coins of the United States shall be such that of one thousand parts by weight nine hundred shall be of pure metal and one hundred of alloy.

Section 14 of the same act provides—

That gold coins of the United States shall be a one-dollar piece, which, at the standard weight of 25.8 grains, shall be the unit of value; a quarter eagle, or two-and-a-half-dollar piece; a three-dollar piece; a half eagle, or five-dollar piece; an eagle, or ten-dollar piece; a double eagle, or twenty-dollar piece. And the standard weight of the gold dollar shall be 25.8 grains; of the quarter eagle, or two-and-a-half-dollar piece, 64½ grains; of the three-dollar piece, 77.4 grains; of the half eagle, or five-dollar piece, 129 grains; of the eagle, or ten-dollar piece, 258 grains; of the double eagle, or twenty-dollar piece, 516 grains; which coins shall be a legal tender in all payments at their nominal value when not below the standard weight and limit of tolerance provided in this act.

Section 15 of the same act is as follows:

That the silver coins of the United States shall be a trade-dollar, a half dollar, or fifty-cent piece; a quarter dollar, or twenty-five-cent piece; a dime, or ten-cent piece; and the weight of the trade-dollar shall be 420 grains troy; the weight of the half dollar shall be twelve grains and one-half of a grain; the quarter dollar and the dime shall be respectively one-half and one-fifth of the weight of said half dollar; and said coins shall be a legal tender, at their nominal value, for any amount not exceeding \$5 in any one payment.

Section 17, same act, reads:

That no coins, either of gold, silver, or minor coinage, shall hereafter be issued from the Mint other than those of the denominations, standards, and weights herein set forth.

#### REFUNDING OF THE NATIONAL DEBT.

By the act of July 14, 1870—

The Secretary of the Treasury is authorized to issue \$200,000,000 in coupon or registered bonds of the United States, in such form as he may prescribe, and of denominations of \$50 or some multiple of that sum, redeemable in coin of the present standard value, at the pleasure of the United States, after ten years from the date of their issue, and bearing interest semi-annually in coin at the rate of 5 per cent. per annum; also a sum or sums not exceeding in the aggregate \$300,000,000 of like bonds, the same in all respects, but payable at the pleasure of the United States after fifteen years from the date of their issue, and bearing interest at the rate of 4½ per cent. per annum; also a sum or sums not exceeding in the aggregate \$1,000,000,000 of like bonds, the same in all respects, but payable at the pleasure of the United States after thirty years from the date of their issue, and bearing interest at the rate of 4 per cent. per annum; all of which said several classes of bonds and the interest thereon shall be exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form by or under State, municipal, or local authority; and the said bonds shall have set forth and expressed upon their face the above specified conditions, and shall, with their coupons, be made payable at the Treasury of the United States.

#### THE RESUMPTION ACT.

The latter part of the resumption act reads:

And whenever and so often as circulating notes shall be issued to any such banking association, so increasing its capital or circulating notes, or so newly organized as aforesaid, it shall be the duty of the Secretary of the Treasury to redeem the legal-tender United States notes in excess only of \$300,000,000, to the amount of 90 per cent. of the sum of national-bank notes so issued to any such banking association as aforesaid, and to continue such redemption as such circulating notes are issued until there shall be outstanding the sum of \$300,000,000 of such legal-tender United States notes, and no more. And on and after the 1st day of January, A. D. 1875, the Secretary of the Treasury shall redeem in coin the United States legal-tender notes then outstanding, on their presentation for redemption at the office of the assistant treasurer of the United States in the city of New York in sums of not less than \$50. And to enable the Secretary of the Treasury to prepare and provide for the redemption in this act authorized or required, he is authorized to use any surplus revenues from time to time in the Treasury not otherwise appropriated, and to issue, sell, and dispose of, at not less than par in coin, either of the descriptions of bonds of the United States described in the act of Congress approved July 14, 1870, entitled "An act to authorize the refunding of the national debt," with like qualities, privileges, and exemptions to the extent necessary to carry this act into full effect, and to use the proceeds thereof for the purposes aforesaid.

The foregoing are all the acts or parts of acts in relation to the currency and debt about which there is, or has been, any dispute. It will be seen that the language in relation to the legal-tender quality of the United States notes or legal-tender currency is the same in all the laws authorizing their issue, namely: That they should be receivable in payment of all demands due the United States, except duties on imports, and of all claims and demands against the United States of every kind whatsoever, except for interest upon bonds and notes which shall be paid in coin, and shall also be lawful money and a legal-tender in payment of all debts public and private within the United States, except duties on imports and interest on the public debt.



There would then seem to be no room for reasonable doubt that the intention of the Congress that passed these acts was, that the principal of the 5.20 bonds was payable in the legal-tenders or the lawful money with which they were purchased. The language is clear and unequivocal, and will, I think, admit of no other construction. If it had been otherwise intended, it would have been very easy, and the makers of the laws would have undoubtedly excepted the principal as well as the interest of the debt, by saying except the interest and principal of the national debt.

The only question in controversy prior to the passage of the act of March 18, 1869, was as to whether the principal of the 5.20 bonds was payable or redeemable in lawful money, at the pleasure of the Government, after five years from the date of their issue, or whether they were payable in coin. The question as to whether payment was to be made in gold or silver coin was not then raised. Here again, if Congress had intended that payment should be made in gold, it would have been natural and eminently proper to have inserted "gold coin" instead of "coin." I believe the gentleman from Ohio [Mr. GARFIELD] was in Congress when this law was passed, and if, as he now says, gold coin only was intended, I can but regard it as exceedingly strange that a gentleman of his legislative experience and quickness of apprehension, and whose retrospective vision now seems so clear, should have failed to supply this important omission.

But the gentleman says:

After all the doubt and turbulent excitement about what the actual obligation of the nation was in regard to the public debt, the first act of Congress approved by President Grant made a solemn declaration designed to put all these doubts to rest. It was declared by Congress that "the faith of the nation is solemnly pledged to the payment"—in what? Not in silver, not in gold, not in coin, but "in coin or its equivalent of all the obligations of the United States not bearing interest, known as United States notes, and of all the interest-bearing obligations of the United States, except in cases where the law authorizing the issue of any such obligation has expressly provided that the same may be paid in lawful money or other currency than gold and silver."

The gentleman asks, with a seeming air of triumph, "Now, what did Congress mean?" I reply by repeating that the only controversy up to the time of the passage of the act of 1869 was as to whether the principal of the 5.20 bonds was payable in legal tenders or the lawful money with which they were purchased or in coin; not in gold coin, not in silver coin, but "coin;" and that manifestly the intention of Congress was to put all doubts on this point to rest by changing the character of the main portion of the public debt from currency to coin by enacting that a debt that was legally, equitably, and morally payable in the lawful money with which the securities were purchased should be paid in coin, thereby imposing an unjust burden of from three hundred to five hundred million dollars on the tax-paying portion of the people of the nation for the benefit of the few usurers, money-mongers, and gold-gamblers.

But the gentleman proceeds to say that—

Since 1834 we have had one standard dollar, and we have embodied it in two metals, gold and silver. . . . Every hour that we had a double standard it was double only on the ground of equivalency, and when, by reason of the shifting value of the two metals in reference to each other, the silver dollar and the gold dollar have varied from each other in value, Congress has undertaken to equalize them by increasing the amount of metal in one or decreasing the amount of metal in the other.

This application of the principle of "equivalency" is certainly original with the gentleman from Ohio. I do not believe any one can be found to dispute his right to letters-patent on it. But if the gentleman is to be credited with sincerity it must be admitted that his memory of facts is greatly at fault; for the silver dollar of 371½ grains troy of pure silver was the unit of value and a legal tender in payment of all debts, public and private, for any amount whatsoever, from 1792 until the passage of the infamous act of 1873. Any change made in the quantity of the metal in the dollars to keep them of equal value was made in the gold dollar, and not in the silver dollar. If, then, this principle of equivalency is to be adopted I submit that in all fairness, equity, and good conscience it should be done by diminishing the quantity of metal in the gold dollar, so as to keep it of equal value with the silver dollar. I do not, however, ask that this change be made, but I do insist that to keep faith with all parties, the debtor class, as well as the creditor class, demands the restoration of the standard of value in existence when the debt was contracted.

Again the gentleman from Ohio says:

When Congress promised to pay coin it was a promise to pay gold coin or silver coin of equal value to the same nominal sum in gold.

And adds:

I cannot believe that this will be denied.

By what principle of political ethics or moral honesty the gentleman reaches this conclusion, knowing as he does that when the law was passed, when the promise was made, the silver dollar was the unit of value and the legal dollar of the realm, is incomprehensible to the common mind.

I venture to say that the gentleman cannot find one disinterested, fair-minded man in fifty who has examined this subject with any degree of care that will agree with him that the language of the act of 1869 will bear the construction he now puts upon it, or that, if we had been so fortunate as to have discovered a bonanza of gold instead of silver, his eloquent voice, as well as that of all the retainers of the money-mongers "at home and abroad," would not have been heard in favor of retaining the silver standard.

Again, the gentleman from Ohio says:

Congress saw a few years ago that it was going to be difficult to keep up the equality or equivalency of the dollar in the two metals; so it dropped one of the metals except as a subsidiary coin, and left the national standard of value embodied in the other, namely, in gold.

The gentleman is certainly mistaken when he says "Congress saw," for the facts connected with the passage of the law demonetizing the silver dollar and making the gold dollar the unit of value show that, outside of the committee having charge of the subject and a few interested parties, Congress had no opportunity to examine or to know what was in the bill. Sir, it was the bankers, usurers, and money-lending class generally, both at home and abroad, that saw a "notable opportunity" of committing a grand swindle on the taxpayers and debtor class generally, which they were not slow to embrace, and finding willing agents in Congress and other official positions they found but little difficulty in accomplishing their nefarious purpose.

By reference to the extracts from the law of February 12, 1873, printed herewith, it will be seen how cunningly the change from the silver standard to the gold standard was effected. In one section the gold dollar of 25.8 grains is made the unit of value. In the next section where the silver coins are enumerated, the legal dollar of 412½ grains is omitted, and the silver coins made a legal tender for 85. Then in another section it is provided that no coins either of gold or silver shall thereafter be issued from the Mint other than those of the denominations, standards, and weights therein set forth.

The bill by which this infamous swindle was perpetrated containing sixty-seven sections and covering over twelve pages of fine printed matter, was reported in the form of a substitute from the Committee on Mints and Coinage by Mr. Hooper, of Massachusetts, and passed under a suspension of the rules without being printed. Indeed, it is not clear from the record that the substitute was even read at length at the Clerk's desk. The vote by which it was passed shows 110 in the affirmative and 13 in the negative, being a bare quorum. The House was then composed of two hundred and forty-six members, of whom one hundred and twenty-three, or one-half of the whole number, did not vote on the passage of the bill, but the absent members probably knew just as much about its provisions as most of those who voted for it.

Mr. Hooper, of Massachusetts, who reported the substitute, asked that the rules be suspended and the bill passed without reading. He said:

I desire to call up bill (H. R. No. 1427) revising and amending the laws relative to mints, assay offices, and coinage of the United States. I do so for the purpose of offering an amendment in the nature of a substitute, one which has been very carefully prepared and which I have submitted to the different gentlemen in this House who had taken a special interest in the bill. I find that it meets with universal approbation in the form in which it is offered. I move that the rules be suspended and the substitute be put on its passage.

Sir, it will thus be seen that in all the proceeding had upon the substitute in the House there was no opportunity for examination or discussion, and outside of the few initiated in the mystery of inquiry contemplated by the bill it is not probable that 1 in 50 of those who voted for it had any knowledge of its provisions or the remotest idea that the design of its authors was to consummate the most perfidious act connected with all our financial legislation. Yet the gentleman from Ohio [Mr. GARFIELD] has the assurance to tell us that Congress saw the difficulty of keeping up the "equivalency" in the two metals, so it dropped one, and that one which had been the unit of values from the earliest organization of the Government and upon the basis of which every debt, public and private, in the nation had been contracted, and adopted the one in the interest of the mere usurers and money-mongers at home and abroad.

Sir, I feel confident that any impartial man who will take the trouble to investigate the circumstances connected with the passage of this act and its ruinous effects upon the industrial interest of the nation will not fail to arrive at the conclusion that it was inspired by the money lords of Europe who purchased our securities, both public and private, at discounts sufficiently great to afford a large profit even should those debts be discharged in lawful money with gold at double the premium it now commands, and that it was dictated to Congress by their allies in Wall street and other money centers at home.

The gentleman from Ohio [Mr. GARFIELD] says:

Now the fact that in 1873 we adopted a device to preserve the constancy of the value of the dollar does not by any means signify that we meant to change the old obligation so that men to whom the Government owes money can lawfully be paid in money of a different value.

Sir, if it was not intended to pay the Government creditors as well as all other creditors in money of greater value than that of the legal standard when the debts were contracted, then there certainly was no necessity for demonetizing silver. But the gentleman will find it difficult to convince the dullest intellect that the demonetization of one-half of the coin of the nation will not enhance the value of the other half. If he does not know that this infamous law which he helped to enact and which he now defends with such thinly disguised sophistry and so much seeming earnestness was a "device" to increase the value of gold, and consequently the value of all debts, public and private, he is ignorant alike of the intention and purpose of its real authors, the usurers and money-mongers, and the practical effect of its workings on the industrial interests and legitimate business of the country.

The gentleman says:

Some one has said there is an innate desire in the human mind to get a chance to cheat somebody.

Sir, if somebody had never uttered this sentence the passage of the law demonetizing silver, and other kindred acts relating to the finances and currency of the nation, with which the gentleman ought to be familiar, afford a practical demonstration of the fact that there existed in the minds of their authors a desire to "cheat somebody," and that somebody those who had confided their interest to their keeping.

Again the gentleman says:

A great minister once said that there are two things in human nature which when united always made iniquity complete; one was the desire to do a dishonorable thing and the other was the opportunity to do it.

And he adds that—

It has so happened in the fluctuations of these metals that there is now a notable opportunity to cheat several millions of men by adopting the baser metal as the standard of payment, and thus to accomplish a swindle on so grand a scale as to make the achievement illustrious.

Sir, unfortunately for the wealth-producing and tax-paying portion of the American people the two things in human nature necessary to make iniquity complete were united in the authors of the law changing the standard of payment from silver, which had been the unit of values from the organization of the Government, to gold. They had the desire and thus created and embraced the opportunity to make manifest their disposition and capacity to "make iniquity complete" by covertly and stealthily perpetrating a swindle on so grand a scale as to make it illustriously infamous among all the corrupt legislation in the past history of the nation.

Sir, I tell the gentleman and those who hold with him, that the sober second thought, the calm and deliberate judgment of the American people, will be that it was the change effected by the law of 1873 and not, as he says, by the proposition to restore the standard of payment in existence when the debt was contracted that "a swindle on so grand a scale as to make the achievement illustrious" was accomplished.

Sir, I deny that the amendment which proposes to restore the standard of payment in existence when all of the national debt and most of the private debts were contracted is either a dishonorable or dishonest act. On the contrary, I insist that it contemplates no cheating or swindling of any class, and that it is an act of good faith founded on the principles of sound morality and good conscience. On the other hand I charge that the measure the gentleman and those who agree with him advocate with so much ability and seeming earnestness is, to characterize it mildly, an act of bad faith and of doubtful morality. It is not an act to cheat a few millions of men out of a thousand or so millions of dollars, but an act to "at one fell stroke" deprive the whole industrial and tax-paying portion of the American people of their God-given right to enjoy the fruits of their labor and talents, to reduce them to a state of practical serfdom for all time for the benefit of a few avaricious usurers at home and abroad.

This is the kind of legislation that the advocates of this and other cunning fiscal contrivances for the oppression and degradation of the working classes call "honest." They can see no injustice or wrong in legislation that robs the industrial classes. It is only when an attempt is made to thwart some wicked scheme dictated by the money-lending class that their consciences are quickened and their moral sensibilities aroused. It would seem that their moral vision had become so darkened and their consciences so seared as to render them incapable of distinguishing between right and wrong.

Speaking in reference to the proposition to restore the silver dollar as the unit of values, the gentleman from Ohio [Mr. GARFIELD] said:

Since I have been in public life I have never known any proposition that contained so many of the essential elements of vast rascality, of colossal swindling, as this.

I have the charity to believe that the gentleman's memory was at fault when he uttered this sentence. I cannot believe that, with all his past experience in public life before his mind, he would have had the assurance to make a statement so clearly unsupported by the facts. The gentleman must surely have forgotten that he was in Congress when the salary grab and Credit Mobilier acts were passed, and it is difficult to believe that acts of this character could have got through Congress without the knowledge of a gentleman so sensitive on the subject of the public interest and national honor. It must also have escaped his memory that he was a member of the House when the national-banking swindle was created, and when the swindle to strengthen the public credit was enacted. By the former of these acts the whole money power of the nation was surrendered to a system of irresponsible corporations by which the people have already suffered a direct loss by way of interest on the bonds of over \$350,000,000, and an indirect loss of double that amount by way of exorbitant rates of interest. By the latter of these acts over \$400,000,000 were added to the public debt by changing payment from currency to coin.

Not one of these acts can be defended on the principle of enlightened public policy or sound morality, while the measure that the gentleman condemns so vehemently is consistent with both, as well as with good faith and national honor.

But if all the dishonest and dishonesty; all the villainy and rascality

contained in the above enumerated acts, were centered in one it would not contain half "so many of the essential elements of vast rascality, of colossal swindling," as the one the gentleman advocates so earnestly.

Neither this nor any of the acts relating to the finances and currency, passed since the close of the war, can be justified by the principles of sound morality, or upon any other hypothesis than that the producing classes and tax-payers have no rights that bankers and money-lenders are bound to respect; and, I submit, is it not barefaced impudence for the advocates and supporters of these acts to claim to be the special guardians of the public faith and national honor, or even question the honor and honesty of any one not notoriously wanting in character for truth and integrity?

The Bureau of Engraving and Printing.

## SPEECH OF HON. SMITH ELY, JR.,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

July 29, 1876,

On the operations of the Bureau of Engraving and Printing.

Mr. ELY. Mr. Speaker, although I do not believe it to be practicable at this session of Congress to perfect any legislation which will materially change the method of manufacturing the circulating notes and securities of the Government, yet an examination of the operations of this department recently made by a committee of which I have the honor to be chairman, impels me to bring this subject before the House, with a view to such future legislation as will increase the efficiency, economy, and safety of this branch of the public service.

A large manufacturing establishment is carried on by the Government in the city of Washington, employing from fifteen hundred to two thousand persons, with a monthly pay-roll running from \$100,000 to \$150,000, with apparatus and machinery upon which there has been expended between six and seven hundred thousand dollars. This factory was organized and has been maintained not under any law directly authorizing its establishment, but indirectly by clauses in various loan and appropriation acts. This factory is for the manufacture of fractional currency, United States notes, bonds, stamps, and other securities of the United States, and is the largest engraving and printing establishment in the world. This business is not carried on by the Government because it can do the work with greater security and economy than private parties, for the American Bank-Note Company supplied the Government long before this factory was started, and for nearly fifty years, printed the securities ready for issue, and furnishes them now to several governments in Europe and to almost all those in South America.

The operations of the Bureau of Engraving and Printing have been twice investigated and compared with the private companies by committees of Congress, and each committee has asserted the superiority of the private companies.

The Joint Select Committee on Retrenchment, of which Senator EDMUNDS, of Vermont, and Representative Halsey, of New Jersey, were the respective chairmen, was appointed in 1867, and reported March 3, 1869; they state that they "could not fail to be struck with the difference in the management and details, both personal and otherwise, between such operations carried on by paid officers of the Government and similar operations carried on by private persons or corporations." "Such a comparison is decidedly unfavorable to the Government engaging in any operations of this character where it can possibly be dispensed with;" "from political and other causes so large an element of incapacity and carelessness and unfaithfulness is introduced into the operations as in a considerable degree to derange and paralyze the efforts of those who are sincerely desirous of doing the best possible work for the Government."

This committee ascertained that more than \$3,000,000 of securities other than fractional currency had been "lost, stolen, or unaccounted for." A schedule taken from this report of securities "lost, stolen or unaccounted for" between 1861 and 1867 is annexed hereto. The actual amount is probably much greater, for the committee say that "as to fractional currency in particular, if any fraud has occurred, it can never be ascertained from redemption unless the frauds have been enormous in amount;" and "that owing to the great number of these fractional notes which are lost and destroyed in the hands of the people it will never be possible to ascertain, by redemption or otherwise, whether there has been any wrong perpetrated on the Government in respect to them." (Report, page 86.) This same committee further report that the highest safety is to be attained by having the notes and securities printed at different establishments. It also found that there was no evidence that there had been one dollar lost through either of the bank-note companies.

The second investigation was conducted by the Committee on Banking and Currency in 1874 and 1875. Their report (No. 150, Forty-third Congress, second session) was made by William Walter Phelps, of New Jersey, February 17, 1875. They reported that, "although the recom-



recommendations of the Committee on Retrenchment were not embodied in a law, its moral effect was such that it was accepted as law by the Treasury Department. A complete and radical change was made, in accordance with the recommendation, in the preparation of the Government notes and other securities, namely: that the work of preparing the securities should not be done in any one place or establishment, but should be so distributed among at least three different establishments that no one or even two of them should have it in their power to furnish any note, bond, or coupon, and that the final process of signing and sealing (*i. e.*, the authentication) should be done in the Treasury Department. That from 1869 to 1874 this work was mainly done by outside parties. In accordance with this report the Secretary contracted with two bank-note companies of New York, each executing one printing upon most of the notes and securities, the Bureau executing one upon the fractional currency and two upon the United States notes. That this plan was followed until 1874, when it was so far abandoned that all the work of preparing these securities was transferred to the Bureau, excepting one printing, which was done by a bank-note company in the city of Washington.

The committee say that "the system worked satisfactorily for five years; why should it be changed without some good reason? We ought not to change a system which started with such good authority, has worked so well, and strikes so favorably the common sense of the people." They reported that "the work of the Bureau is more expensive than that of the companies," and that therefore by taking the work from the companies and giving it to the Government the cost must have been largely increased. That the evidence proved that "in 1873 the Bureau employed between eleven hundred and twelve hundred persons, and these did less work than was done by the six hundred employes of a private company;" "that it seemed to be acknowledged by the Bureau that one-third of the cost in the Bureau is for what does not enter at all into the cost of preparation by the companies." The committee then give the items furnished by the Bureau which occasion this extra cost, and say:

Why add 5 per cent. to the cost of securities to pay employes when they have nothing to do? Why add 35 per cent. to give employment for fewer hours and lower wages than the private company gives for the same work?

The committee do not answer these questions because they could not without admitting that these things were permitted only for political considerations. They say:

If the Bureau was not already established and on our hands, it would be a question whether its operations might not properly be restricted to authenticating and finishing the Government issues.

There cannot be any doubt upon this point. No prudent man would run a factory at a large, constant annual loss simply because he had it on hand. No business should be managed by the Government on such a basis or controlled upon such principles. The committee in conclusion, therefore, recommend "that all the national bank notes, United States notes, and other securities of the United States be executed with at least three plate-printings, besides the seal-printing; and that at least two of these printings be executed by responsible and experienced companies or establishments, no company or establishment executing more than one printing upon the same note or obligation."

The report was made at the close of the session, but as the committee was not called the bill they reported was not acted upon.

Secretary Boutwell followed the recommendations of the committee of 1869, but Secretary Bristow departed from this system, although it had been again recommended by the committee of 1875. He has taken the risk of departing from these instructions and of dispensing with one of these printings, and authorizing the only one performed outside of the Bureau to be executed in Washington by the Columbian Bank-Note Company. He has assumed the responsibility of giving up one of the guards which two committees of Congress had pronounced necessary for obtaining the highest security. Anything less than the highest attainable security, when millions are at stake, is censurable, if not wrong.

The absolute necessity for the "highest safety" will appear from the following consideration: There is no intrinsic value in a bank-note or other security as there is in coin. If a given amount of bullion is deposited in the Mint, the coinage it should yield is easily and definitely ascertained, and any loss detected. If ten sheets of paper are received at the Printing Bureau, it cannot be ascertained by that fact whether they should represent when printed ten dollars or a hundred thousand dollars; and if this work is all done at one factory, or at two in the same place, there is much greater danger of fraud than if it is done at three establishments in three different places, each one a check upon the other.

The method recommended by these two committees affords an almost perfect security against fraud, overissue, or an increase in the face-value of the bill. The paper is made in a mill in Pennsylvania, under the inspection of a Government official, each sheet of a size adapted for a given denomination, counted, sent to the Bureau, then again counted and forwarded to one of the New York Bank-Note Companies, who are charged with the face-value of each sheet. They execute one printing and deliver each sheet to the Bureau, or pay for its face-value. The sheet is then sent to a second company, which executes another printing under the same responsibilities, and the paper is then delivered to the Bureau for the final printing and sealing. By this plan the paper-mill and each of the companies are a

check upon each other and the Bureau, and the risk is reduced to the danger of theft in the Bureau. This danger would be further diminished by having the third printing performed outside the Bureau, confining its operations to sealing and finishing the note. There are now only two printings besides the seal, and one of these is done by a private company in Washington, the other by the Bureau. Greater facilities for fraudulent combinations among the employes are thus afforded than if this second printing was executed in another city.

The Secretary of the Treasury has not given any reason for dispensing with one of these safeguards and thereby increasing the risk of fraud. The liability to error, even with the best devised system of checks, was shown at the hearing before the Committee on Banking and Currency in 1875.

Secretary Bristow sent a communication to that committee concluding as follows:

Since the adoption of a special paper and the present system of checks, a period of about six years, the Government has not lost the value of one cent or more, or a piece of paper the size of a ten-cent note.

That this statement was incorrect was proved by the production at the hearing of one hundred sheets of this special paper, of which the Bureau had no record, and by the accounts of paper delivered and received between the Bureau and the bank-note companies by which it was shown that the paper was frequently either "short" or "over." These facts established that the Secretary of the Treasury has not adopted the best or most economical method of printing the Government notes and securities, and that implicit reliance cannot be placed upon the system of checks devised by the Bureau.

#### APPROPRIATION OF APRIL, 1876.

It will be remembered that in April last a deficiency bill was introduced appropriating \$200,000 for the purpose of carrying on the work in the Bureau because the entire appropriation for the year was exhausted. No reason has ever been given for this insufficiency of the appropriation; none can be given except the desire of the Bureau to increase its usefulness. The administration of Secretary Bristow resulted in an increase of Government patronage. This is evident from the replies of the Treasury Department to questions propounded by the Committee on Expenditures in the Treasury Department of the present Congress. From these it appears that the largest number of employes in the year ending June 30, 1875, was thirteen hundred and forty-nine; that the least number for the next fiscal year was greater than the largest number employed the preceding year; that in January and February, 1876, the number was increased to sixteen hundred and sixty-nine, and the pay-rolls in the same ratio from \$94,000 in July, 1875, to \$147,000 in January, 1876; and by the middle of February the appropriation authorized to be expended for the full fiscal year ending July 1 having been exhausted, work in the Bureau was suspended. If Secretary Bristow had reduced the force of the Bureau as much as he increased it, the appropriation would have been ample to have carried on the work the whole year. There was no demand for the increased force. When the Bureau ceased to work it had on hand over 7,000,000 sheets partly printed, of which about 4,000,000 were fractional currency, besides having printed and issued during the seven months ending in July, 1876, a larger amount of fractional currency than in any preceding year. A prudent and faithful manager would have arranged his work in conformity with his appropriation, and been left with only a small amount of unfinished work on hand.

#### WATER-PROOFING PROCESS.

In the examination before the Committee on Banking and Currency it appeared by the evidence of Mr. McCarter, the chief of the Bureau, that "about \$100,000 a year for the secret process" for water-proofing the paper (page 261) was paid to John M. Williams, (page 267;) that this process was entirely protected by a patent, (page 269,) and was intended to set the colors indelibly, to strengthen the paper, and afford a safeguard against counterfeiting. (Page 262.) These facts he said were proved by certain experiments made (page 267) by him and Mr. Jewell, then his book-keeper, now the chief of the Bureau, in 1871. This patented secret process was the Lowery patent, (Miscellaneous Document No. 163, page 15, answer,) and was a mixture of rosin and castile soap dissolved in alkali, with sulphate of zinc and salt. (Banking and Currency, page 413.) The House committee were doubtful of the value of this process, and recommended the Secretary of the Treasury, Mr. Bristow, to appoint a commission of experts to ascertain its practical use. Six months after this recommendation was made the Secretary of the Treasury requested Professor Henry, the president of the National Academy of Sciences, to appoint a committee for this purpose, and Professor Hilgard of the Coast Survey, Professor Chandler of Columbia College and president of the Board of Health of New York City, William Sellers, mechanical engineer, of Philadelphia, and Professor Morton of the Stevens Institute, Hoboken, were appointed by Professor Henry to report "on the usefulness of the process of increasing the durability of paper and security against counterfeiting; second, their judgment as to what would be fair compensation to the patentee, assuming the patent to be valid."

This committee, after a partial examination, in the autumn of 1875 submitted to the Secretary a memorandum of the principal points of a proposed report concluding that it was of great advantage and utility. (See Miscellaneous Document No. 163, part 2, page 14, in answer to questions of the Committee on Expenditures in the Treasury

Department, Forty-fourth Congress.) On the 31st of March, 1876, the Secretary replied, in answer to questions of this committee, that in consequence of this report he had seen no reason "to question the usefulness of the process, and therefore continued to use it until the Bureau was closed in February last," and continued that "as yet no formal or other report of the commission to whom the matter was referred has been received." It appears, however, from a note of Mr. Hilgard (No. 163, part 2, page 90) that the informal memorandum was given to the Secretary about October 1; that in November "he communicated to the chief of the Bureau of Engraving and Printing and immediately afterward to Assistant Secretary Conant, Mr. Bristow being absent, the change of view arrived at. As the first statement had been informal, Mr. Conant being present, the second information seemed to me quite sufficient to bar any action in the premises." This change of view resulted from a more thorough examination, which proved that the "water-proofing process added nothing to the wear of the notes."

Professor Morton, by whom some of the experiments were made, states that the "average of twenty experiments shows a slight advantage for the notes not water-proofed."

It also appeared that—

There is nothing in the Lowery patent but some special combination of well-known processes. . . . The patentee is entitled to credit for the suggestion, but has no proprietary right in it; . . . as satisfactory results could readily be obtained without infringing on the rights of the patentee.

The committee came to the conclusion that they could "not perceive that the durability of the notes in actual circulation is materially increased by the treatment in question," "nor that the advantages of the process in increasing the difficulty of counterfeiting are of any importance."

The report of this committee was submitted to Professor Henry, and by him forwarded to the Secretary of the Treasury March 24, 1876, with a note, in which he stated that in his opinion the "value of the process is one of much difficulty, and that it can only be definitely settled by trial of the process in actual practice."

It appears from the evidence before the Committee on Banking and Currency that the Bureau commenced using this process about 1872, and continued it until the close of the Bureau in February last. The fractional currency printed in 1870 was 8,500,000 impressions, which the chief of the Bureau in his report for that year said was a much larger number than usual. In 1871, 9,500,000; in 1872, 12,630,000; in 1873, 11,500,000; in 1874, 12,000,000; in 1875, 12,988,000; and in the next seven months, 14,567,000. It thus appears that the results shown by the wear of the currency in use confirms the experiments of Professor Morton and the report of the committee.

It appears to be proved of this secret patented process—

First. That it was of no value.

Second. That no patent was required for its use.

Third. That for its use about \$100,000 a year was paid to the former partner of the chief of the Bureau.

Fourth. That its use was followed by an increase in issue of currency of nearly 100 per cent., showing conclusively, by the crucial test recommended by Prof. Henry, that the paper was less durable.

It is worthy of notice that this process was continued for three months after Mr. Hilgard had notified the Department that the commission had concluded that it was of no utility or value.

#### REVENUE STAMPS.

In July, 1874, the Internal Revenue Bureau advertised for proposals for furnishing revenue stamps, and in October contracts were awarded to the bank-note companies of New York at prices about 25 per cent. less than those paid to the Bureau. The deliveries under the new contracts were to commence on the 1st of January, 1875. Previous to these contracts the stamps were manufactured in the Bureau of Engraving and Printing, excepting the tint-work. Although the Internal Revenue Bureau decided in July to have the stamps furnished by private parties and awarded the contracts in October, yet the Bureau continued the manufacture as though these contracts had not been made, and had accumulated a supply sufficient to overlap the stamps furnished under the contracts six months, and in April, 1875, delivered one-half of all they had manufactured for the year commencing July 1, 1874, at a cost of 25 per cent. higher than the contract price. Besides this, a new series of stamps had been adopted, and consequently the whole surplus must be again destroyed, involving a loss of over \$150,000. This shows mismanagement in this Bureau.

It further appears from one of the schedules furnished to the Committee on Expenditures in the Treasury Department that the Bureau made a monthly charge for examining and counting the "tints" received from the bank-note companies. These charges, however, seemed to be based on no fixed rate. In September, 1874, the charge is \$844.36 for 382,000 impressions, or \$2 per thousand; in November the charge is \$590.84 for 10,000 impressions, or \$59 per thousand impressions.

The printing of "tints" by the bank-note companies ceased in December, 1874, but the charge for examination continued for the next six months at an average of \$500 per month, but in April, 1875, there is an additional charge of \$2,940.39 for examining 1,609,000 "tints," being probably the surplus on the old contract in the hands of the bank-note companies and given up at that time. The conclusions to be deduced from these facts are:

First. That an annual saving of at least \$75,000 accrues to the Government by giving the printing of stamps to responsible private corporations;

Second. That under such contracts there is less loss by waste than when its work is executed by one Bureau for another over whose operations it exercises little control. The work is now performed under the direct supervision of a Government agent stationed at each establishment, and the companies are under bonds to pay to the Government the full value of every stamp unaccounted for. A distinguished member of this House recently urged as a reason for having this work all done at the Bureau of Engraving and Printing, that it would give occupation to the many unemployed people of Washington. As a matter of philanthropy this argument is sound only because it requires a much larger number of persons in Washington than it does in New York to do the same amount of work. Apart from this I do not know what superior claim the unemployed of any one city have upon the consideration of Congress. And it is certainly unwise to attract to this city another thousand persons, mostly females, to be subjected to the questionable social influences which always surround a political capital.

In conclusion, Mr. Speaker, I beg leave to say that in my judgment the best system of checks devised by the Bureau is not infallible, and therefore fraud is possible. I concur with the reports of the Joint Special Committee on Retrenchment made in 1869, and of the Committee on Banking and Currency made in 1875, that the "highest safety in the printing of the bills and other securities can only be obtained when three printings besides the seal printing are executed on each issue, two at least being made by private responsible parties." I also think that all stamps should be executed by contract with outside parties.

Mr. Speaker, it was an old-fashioned democratic maxim that the powers and patronage of the central Government should be restricted to the narrowest practicable limits. I still adhere to that theory.

#### APPENDIX.

##### SCHEDULE OF SECURITIES UNACCOUNTED FOR.

According to the report of the Select Committee on Retrenchment the following securities were "lost, stolen, or unaccounted for" by the Bureau of Engraving and Printing of loans made between 1861 and 1867, besides the fractional currency, of which it was impossible to ascertain the issue:

Page of report.	Number of obligations unaccounted for.	Denominations.	Amount.	Remarks.
5	1 U. S. bond. . . . .	\$1,000	\$1,000	Unaccounted for.
2	2 notes. . . . .	500	1,000	Do.
16	283 notes. . . . .	50	14,150	Do.
16	73 notes. . . . .	100	7,300	Do.
16	50 notes. . . . .	1,000	50,000	Do.
16	79 notes. . . . .	5,000	395,000	Do.
17	5 notes. . . . .	100	500	Duplicates issued.
24	1 bond. . . . .	100	100	Unaccounted for.
24	55 bonds. . . . .	50	2,750	Evidence of destruction not perfect.
26	103 bonds. . . . .	500	51,500	Unaccounted for.
26	26. . . . .	50	1,500	Not satisfactorily accounted for.
26	7,072. . . . .	100	707,200	Do.
26	1,037. . . . .	500	581,500	Do.
26	368. . . . .	1,000	368,000	Do.
29	4 bonds. . . . .	1,000	4,000	Unaccounted for.
66	. . . . .		10,500	Disappeared, stolen, or lost.
67	8 notes. . . . .	10	80	Unaccounted for.
67	4 notes. . . . .	20	80	Do.
73	13 notes. . . . .	20	240	Do.
73	60 notes. . . . .	50	3,000	Do.
73	16 notes. . . . .	100	1,600	Do.
73	48 notes. . . . .	500	24,000	Do.
81	1. . . . .	5,000	5,000	Destroyed, or on hand, or sent to Paris.
73	1. . . . .	500	500	Lost in loan branch.
65, 66	Lot 101. . . . .		40,500	Lost or stolen.
82, 83	. . . . .		7,600	Error either in Secretary of Treasury, or they were abstracted.
84	various deficits. . . . .		8,400	Only accounted for as above.
86	various deficits. . . . .		3,024	
90, 91	various deficits. . . . .		8,325	
	Total. . . . .		3,162,919	Unaccounted for.

##### Stamp deliveries from schedule of July 1, 1874, to June 30, 1875.

	Stamps manufactured.	Stamps delivered in April, 1875.
Tax paid. . . . .	1,065,000	574,000
Tax not paid. . . . .	3,483,000	1,648,000
Beer. . . . .	96,773,000	17,000,000
Tobacco stub. . . . .	3,519,000	1,600,000
Tobacco sheet. . . . .	1,164,000	527,000
Tobacco strip. . . . .	144,390,000	69,000,000
Snuff sheet. . . . .	7,483,000	3,000,000
Brewer permits. . . . .	108,000	49,000
Total. . . . .	209,137,000	105,598,000

Total 209,137,000; of these there were delivered in April, 105,598,000, or more than one-half, which were then of no value and subsequently canceled.



Prices for one thousand stamps.		Prices charged for stamps.	
Kinds of stamps.		By Bureau.	By New York companies.
Tax paid—Bureau.....	\$8 50	\$14 71	\$13 75
Tints.....	6 25		
Not tax paid—Bureau.....	5 75	10 34	7 00
Tints.....	4 95		
Beer—Bureau.....	55	1 95	1 15
Tints.....	1 60		
Tobacco stub—Bureau.....	3 25	9 19	6 94
Tints.....	3 94		
Tobacco sheet—Bureau.....	1 75	3 11	3 04
Tints.....	1 36		
Tobacco strip, 1 and 2 ounces—Bureau.....		66	55
Tobacco strip, 4 ounces—Bureau.....		82	60
Tobacco strip, 8 ounces—Bureau.....		1 40	1 50
Tobacco strip, 16 ounces—Bureau.....		1 78	1 75
Cigars, 25—Bureau.....		2 25	1 70
Cigars, 50—Bureau.....		2 50	1 95
Cigars, 100—Bureau.....		2 90	2 20
Cigars, 250—Bureau.....		4 00	3 35
Cigars, 500—Bureau.....		4 00	3 35
Cigarettes—Bureau.....		2 00	1 70

## Civil Liberty and General Condition of the Country.

SPEECH OF HON. THOMAS L. JONES,  
OF KENTUCKY.

## IN THE HOUSE OF REPRESENTATIVES,

July 29, 1876.

The House being in session for debate only—

Mr. JONES, of Kentucky, said:

MR. SPEAKER: I feel that my constituents have a right to ask of me: What of the night? How stand our public affairs? What is the outlook from the nation's capital? Is office unbought and faithfully executed? Is the public service performed with fidelity? Is the Treasury guarded and the people's money honestly disbursed? Are integrity and virtue exemplified in the high places of our country? Is liberty secure? Is the Constitution maintained and is our Federal Union likely to endure? These questions, Mr. Speaker, are natural to every intelligent American citizen, especially to the man who earns his bread by the sweat of his brow, loves liberty, lives honestly, pays his taxes, and now and then at least has a passing thought of how his money goes and what is the character of the Government under which he lives. Through you, sir, I propose to answer the sturdy yeomanry who have long honored me with a seat in the American Congress.

Political government, although essential to the civilization and happiness of man, is at best a partial evil most difficult of just and proper construction, and equally so of honest administration and maintenance. The history of the world proves this from the day when the babblers at Babel were dispersed down to the present time. Perfection seems not to be the mission of man to accomplish. He himself in his highest and noblest estate fails of the mark and all his works alike, although fair and comely for a season, fall in time below the perfect standard. The world deforms and contaminates, and in nothing does it appear more manifest than in civil and political government. Our primitive race, although led by the hand and taught by the word of God himself, failed to establish a social polity to be handed down to future generations as the guardian of the rights of man.

Experiments have been tried and tried again through the long list of ages, through the brilliant cycles of Greece and Rome and Spain and France and Germany and England, with their grand and mighty actors on the world's theater and their institutions of government, which seemed at the time all-powerful and everenduring. Despotism, aristocracy, oligarchy, republic, monarchy, absolute or limited empire, kingdom, constitutional government, have followed each other in continuous succession, and still experiment and change seem in the main to be the order of the day. The great men of earth, the wisest of rulers, and most philosophical of statesmen have ever been in search of true, fixed, and permanent civil liberty for mankind. Have they ever found it, or is the philosopher's stone yet undiscovered? Indeed, what is that civil liberty which all men wish to see established and truly to enjoy? Learned civilians differ in their definition of that golden rule. A distinguished writer has said: "A people who love liberty can do nothing better to promote the object of their love than deeply to study it; and in order to be able to do this, it is nec-

essary to analyze it and to know the threads which compose the valued texture. I mean by civil liberty that liberty which plainly results from the application of the general idea of freedom to the civil state of man, that is, to his relations as a political being—a being obliged by his nature and destined by his Creator to live in society. Civil liberty is the result of man's twofold character as an individual and social being so soon as both are equally respected. The noblest human work, nobler even than literature and science, is broad civil liberty well secured and wisely handled. The highest ethical and social production of which man with his inseparable moral, jurat, æsthetic, and religious attributes is capable, is the comprehensive and minutely organic self-government of a free people, and a people truly free at home and dealing in fairness and justice with other nations is the greatest, unfortunately also the rarest, subject offered in all the breadth and length of history.

All nations have had faint ideas of liberty. We read of ancient mediæval and modern liberty, of Greek, Roman, Anglican, Gallican, Pagan, Christian, English, and American liberty. The Greeks called it *eleutheria*, that polity in which all are in turn rulers and ruled. Cicero said, "Liberty is the power of living as thou wilt," and Roman lawyers said "it is the power of doing that which is not forbidden by law," and they also said "Whatever may please the ruler has the force of law." Bodin, an eminent political writer, said that "true liberty consists in nothing else than the undisturbed enjoyment of one's goods and the absence of apprehension that wrong be done to the honor and the life of one's self, of one's wife and family. Montesquieu said philosophical liberty consists in the exercise of one's will or at least in the opinion according to which one exercises his will. Political liberty consists in the security, or at least in the opinion, which one has of one's security. A German author thinks liberty simple justice fully executed. "Liberty or justice, for where there is justice there is liberty." Other writers have said, "Civil liberty consists in the responsibility of the rulers to the ruled." The first French constitution says liberty consists in the right to do everything that does not injure others; the second says liberty is that faculty according to which it belongs to man to do that which does not interfere with the rights of others; it has for its basis nature, for its rule justice, for its protection the law; its moral limit is the maxim "Do not to another that which thou dost not wish to do to thyself." Liberty is equality. Dr. Paley wrote that "civil liberty is the not being restrained by any law but what conduces in a greater degree to the public welfare." Aristotle, Plato, Cicero in their works were mainly occupied with the discussion of the question, Who shall govern? The safety of the state was their principal problem; they said or cared but little for the safety of the individual.

But Algernon Sidney, when considering the rights of the rulers and the ruled, the wrongs of the oppressors and the good of the people, exclaimed, "The liberties of nations are from God and nature, not from kings." In the course of time, and the conflicts between the many and the few, the rulers and the ruled, by stout hearts and valiant hands the great muniments of human liberty had been established on English soil. Here begun its vigorous development and hence flowed the springs of its higher and purer life. Here were wrung from tyrants and raised up as beacon-lights for the generations to come, Magna Charta, the petition of right, and the bill of rights, the three statutes which Lord Chatham called the bible of the English constitution.

Mr. Speaker, let it never be forgotten by all of the English tongue and race that our brave and glorious ancestors laid the foundation, cemented with their blood, of the true temple of human liberty. Let it ever be remembered by our countrymen that "We belong to the Anglican race, which carries Anglican principles and liberty over the globe, because wherever it moves liberal institutions and a common law full of manly rights and instinct with the principle of expansive life accompany it; we belong to that race whose obvious task it is, among other proud and sacred tasks, to rear and spread civil liberty over vast regions in every part of the earth, on continent and isle. We belong to that tribe which alone has the word self-government. We belong to that nation whose great lot it is to be placed with the full inheritance of freedom on the freshest soil in the noblest site between Europe and Asia; a nation young, whose kindred countries, powerful in wealth, armies, and intellect, are old. Ours is a period when a peaceful migration of nations, similar in weight of numbers to the warlike migration of the early Middle Ages, pours its crowd into the lap of our more favored land, there to try and at times to test to the utmost our institutions; institutions which are our foundations and buttresses as the law which they embody and organize is our sole and sovereign master."

Our immediate fathers, the great architects of our political liberty, having enunciated and maintained by their valor the self-evident truths "that all men are created equal; that they are endowed by their Creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed;" and drawing their lessons from the best models ever adopted in all history, in their consummate wisdom they ordained and established the American Constitution. In this we have no concise or epigrammatic definition of liberty, but in its whole structure, although composite and complex, it defines, classifies, and regulates delegated governmental powers,

retaining all others with ultimate sovereignty to the people, presenting in itself the most perfect and grandest system ever reared for the rights and liberties of civilized man. Its great object was and is to promote the welfare and happiness of the people and secure to them and their posterity the blessings of liberty. Unlike the political structures of old and of other lands, it considers and provides for the protection of the people, of the individual, as the chief object of the whole science of politics, and in this consist its strength, its virtue, its beauty, and its glory. Nearly one hundred years have rolled over its head; it has been assailed from without and from within; it has resisted the shock of foreign and intestine war; it has risen above every storm which threatened its ruin, and it still stands a wonder to the tyrant, an asylum for the oppressed, and a splendid monument to its immortal framers.

Mr. Speaker, nothing so disturbs a government or threatens its dissolution as civil war, and among no people in the tide of time has this great hazard, this sad calamity, imperiled the structure of their liberties as among our own. That we have survived it should be to us an ever-grateful and lasting congratulation. Our people, although homogeneous in the spirit of liberty and free government, were divided into States, with different institutions, institutions in one sense sectional, which engendered jealousies and animosities, barring that free and social intercourse which conduces to harmony and unity. Different constructions, too, were held of the character and powers of the General Government. Each school was tenacious of its doctrine; the defenders of each were ardent, brave, and able. Concession and compromise had worked in vain, and the conflict, long dreaded, came at last and drenched the land in blood. But blessed peace reigns again, and no patriot should stop to argue the why or the wherefore of that tremendous issue. Crimination and recrimination do not now become us. The past should be forgotten, except (as it never can be) in the proud and grateful remembrance of those noble spirits on both sides who fought or bled or died for the cause they believed to be just. Their names should be a glorious and a common inheritance. It may be hard to realize, sir, but it must be done or all our work is in vain. It becomes us now as a family reunited to turn our eyes and hands with vigilance and diligence to upholding in original intention and truth the Federal Constitution and Union, which, from the very dangers they have passed, should be all the more dear to our hearts.

War demoralizes and corrupts, and at its termination the party left in the ascendancy of power have a most difficult task to perform. It is theirs to re-organize and re-establish, to bring order out of chaos, and to rehabilitate the citizen with his former protection, rights, and privileges. Great allowance should be made for the weakness and arrogance of mankind, especially when in the exercise of authority, the result of victorious arms. But our people have the right to know, and it is their duty to inquire, whether the party which emerged triumphant from the late conflict and still holds sway have done their duty to the States, the component parts of the Federal Union, and have maintained the sovereignty of the people. Have they re-established in "every State in this Union a republican form of government," the solemn guarantee of the Constitution they have sworn to support? Have they exercised powers "not delegated to the United States by the Constitution," and have they respected those reserved to the States respectively or to the people, and are they administering, in the language of Jefferson, "a wise and frugal government, which shall restrain men from injuring one another, shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned?" Have the Congress of the United States and the Executive carried out that solemn pledge made to the people at the beginning of the war for the Union: "Resolved, That in this national emergency Congress, banishing all feeling of mere passion or resentment, will recollect only its duty to the whole country; that this war is not waged upon our part in any spirit of oppression or for any purpose of conquest or subjugation or purpose of overthrowing or interfering with the rights or established institutions of those States, but to defend and maintain the supremacy of the Constitution and to preserve the Union, with all the dignity, equality, and rights of the several States unimpaired, and that as soon as these objects are accomplished the war ought to cease?" This passed by a unanimous vote of the Congress, excepting two. Most benign purpose; most noble resolution; but how kept and carried out!

See, sir, how States have been disorganized, dismantled, and overthrown; how free government has been set aside and despotism installed; how intelligence and morality have been suppressed and ignorance and vice promoted and protected. See how base tools from abroad, strangers to the people, have been set up in their midst and supported by Federal bayonets to steal away their liberty and their property, to blur if possible their fair fame, to blot out their laws, to destroy their autonomy, and to desecrate the temples of their virtue. See how anarchy and tyranny have prevailed where order was promised, and republican government guaranteed and affirmed by oath to the people. It would be, Mr. Speaker, an unpleasant rehearsal and a sad commentary on American liberty to present a detailed history of the wrongs and crimes inflicted upon the southern people during the process of Federal reconstruction. That history is well known in part and has become but a "school-boy's tale." Its entirety would fill volumes and perhaps should never be read by the

rising generation or if read at all but to arouse a sense of indignation against injustice and oppression and inspire greater devotion to the justice and freedom guaranteed by the American Constitution. It would seem to have been enough of punishment to those people for their crime, if crime they had committed, to deprive them of the right to govern themselves, to put governments over them not of their own making; in a word, to have made their own slaves their law-givers and masters; but to have organized a complex machinery by which the workers and manipulators of it were to steal away their substance has shocked mankind and destroyed every principle of human liberty. Foreign governors and their subordinates enthroned and supported by national authority, administered by the party still in power, have robbed and plundered the South, and their dark shadow still lingers over that noble but unfortunate people. The Bullocks and the Blodgetts, the Scotts and the Chamberlains, the Warmoths and the Kelloggs, with their hordes of placemen, will be remembered as the Goths and the Vandals of modern times.

Mr. Speaker, in considering the condition of a people or a commonwealth the first American idea educated under the civilization of constitutional liberty should be of their social and political condition; are they in the enjoyment of free government in the sense of the solution of the political problem which our fathers made? The money question or their pecuniary condition as essential to their happiness and well-being perhaps should be among the last to be ascertained. But as the American mind, especially in these degenerate days, is apt to inquire how the money is handled, how collected, and how disbursed, whence it cometh and whither it goeth, and the answer to these questions makes up the verdict of the American people as to the honesty and morality of their public servants or rulers, perhaps no better illustration can be given of the condition of the Southern States and of the character of their rulers than the table which I submit, showing the debts of those States at the end of the war when their governments were in their own hands and what they were at the end of reconstruction when their governments were in the hands of others.

*Virginia.*—Debts and liabilities at close of the war, \$31,938,144.59. Debts and liabilities January 1, 1872, \$45,480,542.21.

*North Carolina.*—Debts and liabilities at the close of the war—principal, \$9,690,500; interest, \$1,261,316; whole amount, \$10,951,816. Debts and liabilities January 1, 1872, \$34,887,467.55.

*South Carolina.*—Debts and liabilities at the close of the war, \$5,040,000. Debts and liabilities January 1, 1872, \$33,158,914.47.

*Georgia.*—Debts and liabilities at the close of the war, nominal. Debts and liabilities June, 1871, \$50,637,500.

*Florida.*—Debts and liabilities at the close of the war, \$221,000. Debts and liabilities January 1, 1872, \$15,763,447.54.

*Tennessee.*—Debts at the close of the war, \$20,105,606.66. Debts and liabilities January 1, 1872, \$45,688,263.46.

*Arkansas.*—Debts and liabilities at close of the war, \$4,036,952.87. Debts and liabilities January 1, 1872, \$19,761,265.62.

*Louisiana.*—Debts and liabilities at the close of the war, \$10,099,074.34. Debts and liabilities January 1, 1872, \$50,540,306.91.

*Texas.*—Debts and liabilities at the close of the war, nominal. Debts and liabilities January 1, 1872, \$20,361,010.61.

*Alabama.*—Debts and liabilities at the close of the war, \$5,930,658.87. Debts and liabilities January 1, 1872, \$38,382,967.34.

Thus it will be seen that the republican Legislatures, composed in the main of negroes and carpet-baggers, elected at the dictation of the party in Federal power, involved the ten States enumerated in the enormous aggregate debt of more than \$234,000,000. Appeals can now be made to honest men and honest committees of the republican party itself, who have investigated the subject, that the grossest fraud and imposition have been practiced upon those States, and that a great part of the proceeds of this public robbery has passed into the hands and pockets of their public officials and plunderers. Never were a civilized people subjected to such indignities or so tortured in the very crucible of tyranny, and that, too, under a sworn free constitution of a Federal Union. Four millions of slaves were turned loose upon their masters; eight hundred thousand ignorant voters suddenly and forcibly infused into the body-politic. I say this not in blame of the negroes, for they in the main have done well and nobly, but to show what a transition in the social condition of a people and what an innovation upon their civil polity. Greece nor Rome nor the Middle Ages nor the modern states of Europe furnish any such example. But thank God, sir, the South is shaking off the dark pall which covered her, and is rising from the deep humiliation to which she has been subjected. Intellect and energy and courage will sooner or later hold pre-eminent place among men. The Cavalier and the Huguonot cannot long be kept down. The South is here again in the "father's house;" grand old Virginia and North Carolina and Tennessee and Georgia and Alabama and Mississippi and Louisiana and Texas are here with their able and noble representatives, sons to the "manner born," and true scions of the old régime. I joyfully welcome them home, and look to them to lift up their bruised and bleeding peoples from the dust and set them free; and I promise that the country may also look to them faithfully to stand by the pillars of the Federal compact and maintain the Union "in its whole constitutional vigor."

But, sir, let us withdraw our eyes from the South for a moment and see how the home Government has been administered by the party in



power, how it has treated the States which adhered to the Union, and has misgoverned and oppressed the whole people. It would be an endless task to call attention in detail to their numerous financial schemes, their internal-revenue laws, their protective-tariff laws, their inquisitorial visitations into domestic and private concerns, to swindle the people out of their honest earnings, to eat out their substance, to put spies over their households, and place their labor unprotected and prostrate at the footstool of capital and power. Have they conducted public affairs with that economy which our fathers practiced and taught? Have they held public station as faithful public servants for the benefit of the people, or have their efforts been directed to self-aggrandizement and the building up of their own private fortunes? Have they regarded offices as public trusts or as instruments of personal perquisites? "Let facts be submitted to a candid world."

The financial system which has so afflicted the country was begun during the war. It was inaugurated under the plea of necessity, and if it had been honestly and wisely executed would not have worked hardships and oppressions from which the people could not in reasonable time have recovered; but it cannot be denied that the system was most loosely and criminally operated, operated for the benefit of the few against the interests and rights of the many. The bonds of the Government were from time to time recklessly issued and sold at mere nominal values, receiving its own money at immense discount and lavishing and squandering it in unauthorized expenditures. Millions upon millions found their way into the pockets of the contractors, speculators, and cormorants upon the treasure, the sweat and blood of the people. The war to preserve the Union cost twice or thrice as much as it should have cost, and, managed as it was, the result has been to mortgage the property, the industry, and labor of the people for years, perhaps for centuries to come to a favored few, an oligarchy or aristocracy called bondholders.

These individuals, in the first instance, rendered no service in preserving the Union. They took care of their bodies; they stood afar from the conflict, and their patriotism consisted in enriching themselves while others were bleeding and dying. They displayed their loyalty as usurers of the people's money and vampires of the people's blood; they purchased the bonds of the Government at 30, 40, and 50 per cent. discount, as gold fluctuated in the market or as the currency rose or fell. The bondholders soon became bankers. Our law-makers, at the dictation of this great money-power, many of them having become bondholders themselves, established the odious national-bank system as a market for their bonds and as a basis on which to accumulate still higher rates of interest, thus piling usury upon usury. They crushed out private and State banks with sound and stable currencies, and established a great national monopoly, by which further to extort the hard earnings of labor and further to batten upon the substance of the people.

Twenty millions in gold of the people's money have gone every year since the war to pay the interest on these national-bank bonds used as instruments for oppression, while the holders paid no tax to the Government.

The public debt was thus increased without the consent or in apathy of the people to the enormous extent, in the estimates of some calculators, of \$3,000,000,000, and by Government officials themselves to about two thousand eight hundred millions; and this much of the capital of the nation not subject to taxation. The bondholders owned nearly one-eighth of the whole property in the United States.

The people have so been enslaved, their patience so sorely tried, that they have in some sections even threatened open repudiation. They remembered the debt of England accumulating for centuries, and about one-eighth of her population born to poverty. They remembered that England repudiated in the reign of Henry VIII, and that Charles II closed the exchequer and wiped out the debt. They remembered that their own revolutionary fathers partially repudiated their debt, State and national; that Massachusetts redeemed her debt in 1749 at about eight cents on the dollar, and that Virginia, after the Revolution, retired hers at about one for a thousand. They remembered that Hampden braved the prison rather than pay an unjust tax of twenty shillings, and that our fathers made the Revolution rather than pay a tax not of their own making on a single article; that indeed their fathers had been compelled to repudiate a debt which helped to make them free, and they thought that they might repudiate one which made them slaves. But patience "has had her perfect work." The people are upright and honorable, and wish to redeem the Government from the shame wrought upon it by their rulers. They wish to pay the debt as it is seen by the world, whether honestly or dishonestly contracted. They wish their name to stand untarnished among the nations of the earth.

But, sir, I will pursue a little further the history of this legislation by the party in power to show how completely it has been in the interest of capital and for the oppression of labor. I point to the law of March, 1869, as the most striking and shocking illustration of this monstrous policy. I mean the law making the bonds of the Government payable in gold which on their face were payable in paper currency, the people's money, and so intended and expressly asserted by their makers when they were issued.

The republican party and the bondholders, when they triumphed in the election of General Grant in 1868, in furtherance of their policy manipulated their chief and induced him to proclaim in his in-

augural address that "all the obligations of the Government not expressly otherwise stipulated should be paid in gold." The Congress thereupon and almost immediately after, acting as it were under the express command of the bondholders, and many of them bondholders themselves, passed the law to which I refer. This law, I say, sir, that made the bonds payable in gold which of right were payable in currency or greenbacks, at once increased the debt of the people at least \$600,000,000, and without one penny's worth value received. It should be remembered in all time as the most onerous and infamous act in legislative history.

I promised the people whom I represent that one of the first bills or resolutions I should offer in Congress would be for the repeal of that act; and early in the session I had the honor to offer the following, which I read from the RECORD:

#### INTEREST-BEARING OBLIGATIONS OF THE UNITED STATES.

Mr. JONES, of Kentucky. I ask unanimous consent to introduce and have referred to the Committee on Banking and Currency the joint resolution which I send to the Clerk's desk to be read.

The Clerk read as follows:

"Whereas the Congress of the United States passed an act approved March 13, 1869, entitled 'An act to strengthen the public credit,' and providing for the payment in coin or its equivalent of the interest-bearing obligations of the United States; and whereas said act was virtually a violation of various acts providing for the issue of certain bonds and obligations of the United States, especially those known as five-twenties, the principal of which at the time of their issue was understood to be payable in the lawful money of the United States, and so expressed in substance by both the political parties of the country in national convention, the republican convention of 1868 declaring that the national honor required the payment of the public indebtedness in the uttermost to the creditors at home and abroad not only according to the letter but the spirit of the laws under which it was contracted, and the democratic party of the same year declaring that where the obligations of the Government do not expressly state upon their face, or the law under which they were issued does not provide, that they shall be paid in coin, they ought in right and justice to be paid in the lawful money of the United States; and whereas said act, being no part of the original contract in letter or in spirit, was without consideration and therefore repealable at the will of any subsequent Congress; and whereas it was unjust, unequal, and oppressive legislation, greatly increasing the amount to be paid by the Government, and has intruded, and as long as it exists will continue to intrude, to the benefit of bondholders and capitalists and the positive detriment of the property and labor of the people: Therefore,

"Be it resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the said act, approved March 13, 1869, entitled 'An act to strengthen the public credit,' be, and is hereby, repealed."

In the resolution just read I endeavored to present an epitome of the history of that act and the argument for its repeal. It cannot be gainsaid that the republican party in this notorious instance broke its faith with the people and violated the pledges made by both parties in national convention. In presenting that resolution I but did my duty according to my convictions of right and honesty; but I suppose we shall not have the opportunity of voting upon it, as it will probably never be reported by the committee to which it was referred. Indeed, sir, I suppose it is now a settled question that notwithstanding all their complaints, protests, and just denunciations the democratic party itself, considering the difficulties and embarrassment to which the party in power has subjected the Government in the eyes of the world, have determined to pay its obligations, however unjustly made. As members of that great party which has so concluded in its wisdom, we must concur in its determination and if possible carry it out to the letter. We wish to see our country acquitted before all nations in fully vindicating its honor.

But, sir, let us examine a little further into this legislation of the republican party for the protection of capital against labor. The next act in this history was that of February, 1873, demonetizing silver, the legal-tender of the Constitution. This article had so increased in the world, and especially in our own country—rising from a production of from \$40,000,000 to \$45,000,000 in 1860; now to \$70,000,000 per annum—that its value diminished very considerably below gold, and therefore the bondholders did not wish to receive it as a legal tender in payment of their principal or interest; so the Congress under their influence destroyed the value of the silver dollar. Everything must be subjected to them and all former values regulated and fitted to the exact payment in gold of their debt. Important as Shylock, they would claim even the "pound of flesh." Look at the contest now going on, sir, in order to restore the silver dollar to its original and constitutional function as a legal tender in payment of all debts. How violently it is opposed by this same bond-holding power and its allies and abettors on this floor. The democratic party must restore the silver dollar to its original value, and make it a legal tender in payment of all debts, as was intended by the framers of the Constitution.

But again and lastly, sir, as the culmination of this ruinous policy and as the cap-sheaf of this stack of infamies, the country was saddled with the law of 14th January, 1875, for the resumption of specie payments; all for the benefit of the bondholder and the capitalist, and directly against the labor and industry of the people. This law drew fifty millions from circulation and caused the suspension of two hundred banks. Sir, behold the result; look abroad over our vast domain, from center to circumference, in the great cities, in the towns, in the country, everywhere. See how internal commerce and trade are prostrated, how the various manufactories and all industries are paralyzed, how values are diminished, how energy and enterprise are numbed and stagnant, how labor, able-bodied and feeble, is idle, and begging in the streets, in the highways and by-ways of the land. How our foreign commerce has dwindled comparatively to nothing; ship-building in our country almost abandoned in consequence of material being

so heavily taxed, when fifteen years ago we had about one-third the tonnage of the world in our hands, and now we are almost driven from the seas. Some of us on this floor have been struggling from the beginning of the Congress to repeal this impracticable and ruinous law, and we hope soon to accomplish the righteous purpose. This picture, is but, sir, the direct and legitimate consequence of the legislation of the party in power. Can the people much longer bear its policy or its presence at the head of public affairs?

The tariff system, too, under the protective theory re-organized and promoted by the republican party since 1860, has been a most fruitful source of revenue to the capitalist and manufacturer, and most oppressive to the agriculturist, the consumer, and the people in general. The tariff so wisely re-adjusted by the democracy in Congress in 1845 for revenue and against protection was annulled and the protective theory revived and gradually increased up to 1866, though since somewhat modified. Our law-makers, rejecting the learning and ability of Adam Smith, Sir Robert Peel, and Richard Cobden, with the experience of England and other nations before them, have adhered to the protective system and set at naught the principles of free trade, which alone can make a nation prosperous and great. They have given protection to the manufacturers of iron, of steel, of copper, of salt, of wool and cotton, and the various articles made of each, but no protection to the agriculturists, who make up more than half the increased riches of the country, in the sweat of whose faces is the last analysis of our wealth.

In England less than one hundred articles are taxed for revenue, indeed but ten or twelve chiefly; and here we have had five thousand and more, all foreign articles, from 50 to 250 per cent.; tea, coffee, sugar, tobacco, to an enormous extent. Every man who uses a spade, hoe, plow, or wagon, who drives a nail in his roof or puts a shoe on his horse, pays about double what he ought to pay for the article. Every ounce of salt put in his food, every pound of iron or steel or foot of plank that is used in any form, every hat or shoe or garment that is worn, costs nearly double what it ought; and so with almost every article of prime necessity to man from the cradle to the coffin.

Now, Mr. Speaker, it is proper to inquire how much of these immense taxes and revenues has been collected by this party within the last ten years and how it has been expended. If we turn to the reports of the Secretary of the Treasury, we find that since 1866 there have been collected from the people \$4,682,000,000, nearly \$2,000,000,000 more than the entire debt at its highest figure after the war, namely, \$2,773,236,173. And yet, sir, the debt to-day, according to the report of the Secretary of the Treasury for the month of July of the present year, stands, principal and interest, at \$2,203,550,345.31. May not the people aptly ask of their rulers, "What have you done with the \$4,682,000,000 which according to your own figures we have paid you in the last ten years, while you make a showing of but \$450,000,000 paid on our debt?" Ah, sir, they never will and never can answer this question; it is reserved for their opponents, the democracy, who have been keeping watch over them, to investigate and find out the truth and make it known to the people.

To estimate properly the enormity of our present debt and the present expenditures of the Government, it is only necessary to compare them with what they were but sixteen years ago. Then the Federal debt was less than sixty-five millions; since the war it has been as high as \$2,773,236,173, and now stands at \$2,203,550,345.31; the interest alone amounting to more than twice as much as the debt before the war. Then the annual expenditures were about \$63,000,000, since the war as high as \$350,000,000; an increase of 450 per cent., when the population had increased but 22 per cent.; and now the expenditures are near \$200,000,000.

It has been estimated that at least fifty millions have been annually spent more than was necessary to maintain the Government. We collected in customs for the year ending June 30, 1869, one hundred and eighty millions in gold; but to collect that we had to tax the people over \$400,000,000, \$220,000,000 of which went into the coffers of the manufacturers of the North.

Mr. Trumbull, of Illinois, a republican Senator, stated that the defalcations of public officers under Grant's administration, the first term, amounted to more than \$3,000,000. A commission was appointed to look into the civil service, and they reported that in one year, when the collections amounted to \$383,000,000, \$95,000,000 were lost by the corrupt men in office; and yet no reform has been enacted in the civil service. The revenue from tariff alone for the several years from 1868 to 1876 has been as follows:

1868	\$164,464,600
1869	180,048,427
1870	194,538,374
1871	206,270,408
1872	210,370,287
1873	183,080,523
1874	163,103,834
1875	157,167,732
1876	147,830,000

Making a grand total of \$1,617,903,175. Where has the money gone? Echo answers, where!

Let us compare somewhat in detail the expenditures of the Government under democratic rule for a period of years and then under republican rule for a like period. From 1852 to 1860 the annual expenses were:

1852	\$37,988,005 78
1853	42,321,830 15
1854	50,734,863 42
1855	54,838,585 39
1856	65,476,397 90
1857	64,730,763 12
1858	71,110,668 87
1859	65,133,727 36
1860	58,953,952 39

Total amount net ordinary expenses for nine years, from 1852 to 1860 ..... 511,280,804 47

Let us see what they have been from 1867 to 1875. It would not be fair to include the interest on the public debt and the annual pensions, and so I omit the appropriations for these purposes in the following table:

1867	\$182,011,182 16
1868	206,132,701 53
1869	161,989,783 17
1870	136,081,304 98
1871	123,139,932 70
1872	124,068,453 43
1873	154,130,210 04
1874	149,580,570 34
1875	142,073,632 05

Total amount net ordinary expenses for nine years, from 1867 to 1875 ..... 1,376,806,730 30

In other words, the expenses of the Government under republican rule are nearly three times what they were under democratic. One cause of the increase is that the republicans have quartered an army of office-holders on the people. This army is growing every year. Instead of cutting it down the republicans are enlisting new recruits all the time. One would naturally suppose that less employes would be required in 1875 than in 1865, when there was a large amount of business of one kind or another growing out of the war; but the reverse of the picture is the fact. The army of office-holders was larger in 1869 than in 1865, and in 1875 than in 1869. Here are the figures:

Departments.	1865.	1869.	1875.
State (clerks only).....	37	47	63
Treasury (all).....	6,243	8,082	11,316
Interior (all).....	1,507	2,171	3,750
War (all).....	3,303	1,336	4,790
Navy (all).....	141	173	10,000
Justice (all).....	221	239	728
Post-Office (all).....	41,144	41,346	65,726
Legislative.....	183	295	314

If the republican candidate in the present contest should be elected these figures will probably be greatly increased. No wonder the people are suffering, that business of all kinds is dull, and that the poor man is becoming every day poorer. In the language of Mr. Tilden, our leader, "We cannot afford the magnificent taxation of the republican party."

I might, Mr. Speaker, go on with these details *ad infinitum*; indeed, the vast amount of money collected from the people in the last ten years, to include no more, in various and numberless ways is incomprehensible and past finding out. Many suppose it to exceed six thousand millions. But take their own showing of the amount and I repeat the question, what have they done with the nearly \$5,000,000,000 which the people have paid them? We can only find the answer in the developments which have been forced out of them, in the acts of their prominent leaders, in their rings in the custom-houses, in the post-offices, in the Indian Department, the Internal Revenue Department, in their real-estate pools, District rings, crooked-whisky rings, postal straw-bid rings, their Navy contract rings and Cattelling commissions, San Domingo jobs, Secor claims and Chorpennings claims, and the thousand corrupt combinations, big and little, which have covered them with disgrace and shocked the honesty and decency of mankind. They will tell us that they have been protecting the colored man, restoring the Government, re-establishing prosperity, developing the country, protecting the frontier, rebuilding the Navy, reforming the civil list, erecting a sound financial system, and endeavoring to give a stable currency to the people, and this is the way the money has gone. But they have done none of these things. Facts speak for themselves, and in them alone can we find answer.

Thanks, Mr. Speaker, and all honor to the people of this country who two years ago, driven to indignation at these enormities practiced upon them by the ruling dynasty, rose up in their might and under the democratic banner elected a majority of true representative men to this House. The people are now looking to them for an account of their stewardship, and they will not be disappointed, sir, in the record which they have made. The people have seen their acts and they speak for themselves. They will see how our vigilant and faithful committees have labored day and night to investigate the acts and doings of public officials and the disclosures they have made; they will see how at every step the opposing party in this House and in the Senate have resisted their investigations and endeavored to conceal the frauds and flagitious transactions of their



leaders and officials for these long years they have been in power. How, when we have attempted to discharge supernumerary employes of the Government, they have persisted in retaining them. How, when we have attempted to cut down salaries and diminish public expenditures, they have striven to keep them the same, and even to enlarge them. How we have exposed the wrongs and villainies of their appointees and have stripped their high officials of the cloaks which covered them, and have shown them in all their naked deformity; how, I say, our opponents in both Houses of Congress have done their utmost to defend and uphold them. While making this strenuous opposition they are still professing honesty, economy, and reform. "They make broad their phylacteries and enlarge the borders of their garments, and love the uppermost rooms at feasts and the chief seats in the synagogues;" "They bind heavy burdens, and grievous to be borne, and lay them on men's shoulders; but they themselves will not move them with one of their fingers." Blind

guides, scribes, Pharisees, hypocrites, the people will see their professions but judge them by their acts.

See, sir, in every appropriation bill reported to this House by the democratic committees in their effort to restore and practice economy and retrenchment, how the opposition have resisted and delayed, in the foreign diplomatic and consular bill, the Military Academy bill, the legislative, executive and judicial bill, the post-office bill, the Navy bill, the Army bill, the Indian bill, and the sundry civil bill. In all these appropriations and almost in every instance where the democratic party in this House have lopped off and cut down, the republican party have held fast to the former offices and the old figures. For the benefit of those who may read my remarks on this occasion and especially for my constituents I submit a statement showing the work of the democratic party in the House in reducing expenditures below those of last year and below the estimates of the Departments for the year to come.

\* Statement of appropriation bills passed by the House of Representatives at the present session of Congress, showing the estimates of the Departments for each bill; the amounts appropriated for the year ending June 30, 1877, by this House; the reductions made in each bill below the estimates, and the reductions made by this House below the amounts appropriated for the year ending June 30, 1876.

Bills.	Estimates of the Department for year ending June 30, 1877.	* Appropriation for the year ending June 30, 1876.	Appropriation bill as passed the House for the year ending June 30, 1877.	Reduction below estimates of the Department.	Reduction below appropriations for the year ending June 30, 1876.
Military Academy, passed the House January 31 .....	\$437,470 00	\$364,740 00	\$211,241 00	\$206,129 00	\$133,499 00
Pension bill, passed the House January 31 .....	29,533,500 00	30,000,000 00	29,533,500 00	.....	466,500 00
Consular and diplomatic, passed the House April 10 .....	1,352,485 00	1,374,905 00	912,747 50	439,737 50	462,237 50
Fortification bill, passed the House February 15 .....	3,406,000 00	850,000 00	315,000 00	3,091,000 00	535,000 00
Legislative, executive, and judicial, passed the House April 23 .....	20,836,307 00	18,902,236 99	12,998,815 61	7,837,491 39	5,903,421 38
River and harbor bill, passed the House April 10 .....	14,301,100 00	6,643,517 50	5,872,850 00	8,428,250 00	770,667 50
Deficiency bill, passed the House April 12 .....	2,723,471 70	4,703,699 18	671,486 74	2,051,984 96	4,032,212 44
Post-office bill, passed the House May 17 .....	37,939,805 99	37,534,361 00	33,739,109 00	4,200,696 99	3,765,272 00
Navy bill, passed the House May 23 .....	30,871,666 40	17,001,006 40	12,432,855 40	8,438,811 00	4,568,151 00
Indian bill, passed the House June 6 .....	5,787,995 64	5,360,554 55	3,979,602 11	1,808,393 53	1,380,952 44
Army bill, passed the House June 19 .....	33,348,708 50	27,933,830 00	23,192,314 72	10,156,373 78	4,741,495 28
Sundry civil bill, passed the House June 23 .....	32,560,475 29	20,644,350 09	14,857,326 54	17,703,148 75	11,787,923 55
Total .....	203,098,985 52	177,303,280 71	138,736,868 62	64,362,116 90	38,516,312 99

\* This statement has been carefully corrected and compared.

It is thus seen that we propose a reduction of \$64,362,116.90 below the estimate of the Department for the year ending June 30, 1877, and of \$38,516,312.09 below appropriations of the last year ending June 30, 1876.

We yet hope, sir, although the prospect is not bright, that we shall before the adjournment of Congress be able to reach these reductions in the public expenditures and to that extent relieve the people of the burden of taxation. If we succeed we shall be entitled to general commendation and praise, and the grateful verdict "Well done, thou good and faithful servant."

Mr. Speaker, as a most striking illustration of the demoralization of the times and especially of the dominant party, we have seen how the power of impeachment, among the highest of the House of Representatives, presented in the name of the whole people, has been scorned and trifled with and how in the trial of a high Government official, a Cabinet officer, the Senate of the United States sitting as the highest court known to the Constitution have screened and defended and acquitted him, failing to claim proper jurisdiction, perverting the law and the evidence, and ignoring their sworn responsibility to the Constitution of their country. Under technical evasions and pretenses they have pronounced a man not guilty whom in their hearts they believed to be guilty. It is thus seen how dealers in base bribes and pilferers in office are screened and protected and sent forth unwhipped of justice. But, sir, the example is not without its terror to evil-doers and its virtue to the people. Other high officials have been investigated and exposed in this House and alike have been defended and upheld by their friends. We may pile their wrongs and offenses mountain-high and expose them in the glare of the noonday's sun, still they will be proclaimed innocent and "pure even as the angels in heaven." Nothing is more difficult, sir, than to convict the leaders and the exponents of a party still in the ascendancy of power when the party itself is alike participant in crime and corrupt and rotten to the core.

I might extend the account of these investigations for hours, but I refrain from giving further examples; the task is not a pleasant one. The people of this great country are a reading people; they see daily accounts of the proceedings of their servants in Congress; they will examine the record and make up their judgment. The question with them is: "Shall we longer keep the republican party in power; can they ever cure their own disease or with their own hands cut the cancer out? In all history has ever a party purified itself?"

The spirit of our Government is change of administration. Parties seem to be necessary at times to root out dishonesty and corrup-

tion and restore integrity and purity in public affairs. It is evident that the party in power is not adequate to the great task. The duty to them is impracticable and impossible. The remedy is change of administration. It belongs to the democratic party; it is their high mission to the age and to posterity. In this House they have begun their career and they have put on their armor for the great and final struggle for the administration of the Government. They have chosen wise, experienced, and patriotic leaders. They have placed before the country a platform of principles presenting undeniable truths and promising the reforms so much needed throughout governmental affairs. The people must take their Government into their own hands or their liberties are gone. They must drive from office the miscreants who have so misused and abused their powers and privileges, and put in their stead honest and faithful men who will regard office as a high and sacred trust from the people and not pervert it to their own base and selfish uses. Economy, retrenchment, and reform are inscribed on our banners and they must be the watchwords of our hosts, and with the noble Hampden's motto, "No step backward," we shall go on conquering and to conquer. Let us proclaim amnesty, equality, liberty for all, special and exclusive privileges for none. And here, sir, I may be allowed to say that from the beginning of my participation in public life since the war I have ever been in favor of striking the shackles of political disability from every American citizen. From time to time I have offered bills and resolutions to effect the gracious and noble purpose, and on the eve of one of our national holidays in this centennial year I endeavored to place before the House the resolution I take the liberty of reading:

"Resolved, That in view of the great increase, general health, and prosperity of our people in this blessed year, the one-hundredth anniversary of American Independence, and in commemoration of the birthday of our beloved Washington, 'first in war, first in peace, and first in the hearts of his countrymen,' we do hereby remove all disability imposed under section 3, article 14, of the Constitution of the United States, and do declare complete amnesty and oblivion for all past political offenses, invoking the blessings of Almighty God upon our counsels and our country; that our Government may rest 'upon the best and surest foundations; that peace and happiness, truth and justice, religion and piety may be established among us for all generations.'"

I still commend this sentiment to the Congress. We must come to that, sir, if we would secure the respect of our fellows, the commendation of posterity, or the amnesty of Heaven for ourselves.

But, Mr. Speaker, notwithstanding the picture I have drawn of the management of our public affairs by the republican party; notwith-

standing the gloom which at times seems to envelop us, we have yet much to encourage and cheer us on. The same skies are above us which looked down upon our fathers, and the same earth is beneath us which bore the print of their footsteps. We must return to their good old ways. We have a great country and a great people to develop and provide for. We have the grandest territory that ever filled the scope of man's vision or was made a place for his habitation, a land of lakes and rivers and mountains and valleys to inspire his genius, stimulate his industry, excite his enterprise, gratify his tastes, enlarge his comfort, and promote his happiness; a land girdled and protected by the great oceans of the world, and inviting the commerce of all nations. We have great examples of courage and wisdom and patriotism before us, with monuments to their fame all around us.

There stands the column to Washington which, honor be it said at last to the American Congress, is soon to be lifted to its destined height and shed a glory over the land. Here are the great public edifices erected by the labor of American freemen. Here are the walks and seats made sacred by the great statesmen who have preceded us, and here is our great Capitol, the country's pride, peerless in its beauty and grandeur, the temple of American law, enthroning on its pinnacle the image of American liberty; and lastly, we still have the Constitution, the foundation of our political fabric and the last and best embodiment of civil liberty. Let us hold fast to it as the anchor of man's hope, rejoicing in our inheritance, let us preserve it unbroken and hand it down unimpaired to those who are to come after us. In the inspired verse of our early patriot-poet, let us waft the glad invocation to the teeming millions as they come and ever chanting as they march:

Columbia, Columbia, to glory arise,  
The queen of the world, and child of the skies!  
Thy genius commands thee; with rapture behold,  
While ages on ages thy splendors unfold,  
Thy reign is the last and the noblest of time,  
Most fruitful thy soil, most inviting thy clime,  
Let the crimes of the East ne'er encumber thy name,  
Be freedom, and science, and virtue thy fame.

#### Repeal of the Resumption-Day Clause.

### SPEECH OF HON. GEORGE W. CATE,

OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

August 5, 1876.

On the bill (H. R. No. 3074) to repeal in part the resumption act of 1875.

Mr. CATE. Mr. Speaker, I regard this as one of the most important measures that have engaged the attention of this House at this session; a measure demanded by the best interests of the whole country, by the voice, as I believe, of a very large majority of the people, and reiterated in the platform of the late Saint Louis convention, one of the largest and most intelligent bodies of men ever assembled on this continent. Whether the people are right or whether they are wrong, there can be no mistake that an opinion is wide-spread, almost universal, that the so-called resumption act ought to be repealed, and the country has been amazed and disappointed that action has been so long delayed on this important subject, for let it be understood that the resumption law is but one of a series of measures involved in the great contest now going forward in this country between the creditor class on the one side and the debtor class—the people—on the other.

Behind these measures stand the "money kings" of the world, located in England and Germany, who hold to a large extent the credits of the world and who have entered upon a scheme to appreciate the value of those credits in every possible way. Europe is already in their power and the subjugation of this country is now in order. Shall it be accomplished? is the question of the hour. Thus far in the contest they have been successful, and whether final victory is to crown their efforts the next few months will determine. First the bondholders demanded that their bonds payable in currency should be paid in coin; next they demanded that silver should not be a legal tender for sums above \$5, leaving their debt payable in one money only, gold, and of which we had the least. Next in order they demanded the resumption of specie payment on the 1st day of January, 1879, which means, of course, the destruction of the greenback and national-bank circulation and the payment of every debt, public and private, above \$5 in gold, which will largely add to the demand for gold, enhance its value, of course, and increase the value of the Government bonds in their hands. Every demand of the bondholder has been responded to with interest, until the country finds itself prostrate at the feet of the money power, every industry crippled and all its avenues to prosperity closed.

In this struggle, which is not only of interest to us but attracts the attention of other nations, the republican party, through the Congress of the United States, has thrown all its power and influence in favor of the bondholders and the creditor class, and against the interest of our own people. It has, by every means in its power in this House,

opposed the repeal or modification of these unjust measures, and I want the country to understand that the party in power is justly chargeable with championing the cause of the money-lenders of Europe instead of the industrial interests of this country.

Now, sir, there is no design to ignore the precious metals in the monetary system of this country, and while the people with whom I act believe that an early and forced resumption of specie payment will produce wide-spread disaster to every interest but one, they will disapprove of any scheme that does not contemplate at as early day as practicable the appreciation of the paper money of this country to a full par value with gold; and further they demand the restoration of American silver to its rightful place in our currency, and by every possible means hasten the day when gold as well as silver shall once more constitute a part of the currency in daily use. But as the use of gold as a currency in this country is impossible at the present or in the near future, let us by wise and judicious legislation make the greenback as good as gold; not destroy it, for the people will not surrender it, for they regard it the best currency in convenience and safety this country ever had.

Never, sir, have we had a currency to which the people are so much attached or with which they will part with more regret, and they will look with disfavor upon any attempt to displace it with the issues of any banking corporation whatever, for they know that it possesses a stability and uniformity in value that gold has not possessed. Why, at the very threshold of the great rebellion, almost before an ounce of powder had been burned, every dollar of gold and silver had fled the country, compelling a suspension of all the banks; their bills went to protest; redemption of their issues could not be made because the necessary gold and silver could not be had; it had fallen into the hands of the Shylocks of Europe, and was hoarded by everybody in this country who could thus protect themselves against the trash which bank paper always becomes when there is any disturbance of its basis, the "money of the world." The Government was powerless to equip, pay, and feed its soldiers and furnish the appliances of war with "honest money;" though a high rate of interest was offered for it, it could not be obtained.

The Government in extreme necessity, in the hour of its greatest peril, was compelled to resort to some resources of its own, to carry on the war or succumb to the power that would destroy it. It was compelled to cast away the boasted "money of the world," which, unstable and unreliable even in time of peace, had broken in pieces like a vessel of crumbling pottery at the first speck of war. It did issue a paper currency based upon the faith and credit of the nation with which to pay its armies and for the use of its people in their private transactions; and I take pride in saying that from that day onward, through all the terrible war, involving an average daily expenditure of millions of dollars, not a single dollar of any other kind of money was used by the Government in the discharge of its obligations or by the people in the transaction of their business; neither did the Government, in the sale of its bonds, receive a dollar in any other money; and, if "honest money" was used at all, it was in buying greenbacks at a discount with which to buy the Government bonds. The greenback did all this and more. It constituted a currency equal in all respects to the wants of trade, cheap and convenient, and free from the fluctuations and instability to which the money of the world has always been subject. It has built our railways and canals, furnished homes to thousands and thousands now reaping its benefits beneath their own vine and fig-tree, who, under the domination of hard money, must have remained hewers of wood and drawers of water. It has enabled us to record an advance in all the elements of empire that finds no parallel elsewhere. It has built up and endowed our churches and institutions of learning, and enabled us to provide for the weak and unfortunate in institutions suitable for their comfort and improvement; and yet gentlemen declare it a "stupendous fraud." It has furnished to labor employment and given to it the necessities, if not the luxuries, of life; and has the laboring-man complained that he has been poorly paid or that his remuneration has been less than he would have received under a hard-money régime?

And yet gentlemen shout, with their faces turned up to the gallery, "Labor has been cheated." Ah, labor has been cheated; cheated out of employment, but not by the greenback currency, but by the ruinous policy of contraction that is being forced upon the country. Labor is knocking at your doors, and the voice in your galleries the other day is but the echo of thousands in every nook and corner of the land demanding opportunity to work. But, says the gentleman from Massachusetts, [Mr. SEELYE,] "a paper currency, which is only a promise to pay, which is never fulfilled, must bring disaster wherever employed." It is not easy to conceive of a proposition more radically at war with established facts than this proposition is. It is not the design of Government in furnishing a currency to furnish one that may safely be "salted" down for future generations, or buried in pots, as Captain Kidd was said to have buried his ill-gotten gains, but to furnish a medium of exchange to circulate in the live present as the life-blood of teeming, smoking enterprise; and if it be one that pays our taxes, discharges all our money obligations, builds our houses, pays for our lands, and beautifies and improves them, and is in all respects a full legal tender, is not the promise of payment fulfilled? What more is desired in any currency? If the greenback has furnished us the sinews of war, set the wheels of industry in motion, built our rail-



ways, improved our rivers, cleared the forests, and opened our mines, is that disaster?

When I look back along the fleeing past and observe on every side the wrecks of broken fortunes, blasted hopes, and shriveled enterprises, and rotting machinery which mark the domination of hard money, and on the other hand the activity and life infused into these shrunken forms and lifeless images the moment such a currency as the greenback made a full legal tender is infused into the arteries and veins of business, I am induced to remind the gentleman that such declamation is the veriest bosh in the world. Is industry cheated if through the instrumentality of the greenback it is transformed into lands and buildings, food and clothing, and anything that is useful or desirable to possess? "Was industry cheated and defrauded" when, in 1861-'62, all the gold and silver had fled the country before the march of "grim-visaged war," and in consequence the currency was broken down, individual credit gone, ships idle, warehouses empty, and seamen and sailors out of employment? The greenback was introduced; and everything is changed; activity and enterprise are visible where before were decay and death.

Now I do not take the trouble to prepare tables illustrating the progress of the country in material wealth during the greenback period, but it has been very great, greater than in any like number of years. The increase of private wealth is enormous; in the purchase and improvement of lands for agricultural purposes it is immense—substantial, enduring wealth that neither moth or rust doth corrupt, all of which has been done with the aid of the greenback; a progress in substantial, enduring wealth which no change in the finances can take away, although by that means it may be greatly depreciated; but it cannot be annihilated, but must remain a real accession forever. And is it any the less solid, substantial wealth because its accumulation was through the instrumentality of the greenback? It is not true that paper money has ever been a fruitful source of evil except when issued on a specie basis, and then only when the superstructure, gold and silver, gave way; and the assumption of the gentleman that the present condition of the country as shown in its curtailed industry and enforced idleness is wholly due to our paper currency rests in mere assertion—not an argument used, not a fact adduced in its support; but I charge that the reason is to be found nowhere else but in the legislation before alluded to, looking to final resumption, which policy has been continued to the present time with all the mischievous consequences attending a contraction of the currency at a time when there is no more in circulation than the needs of business require. To show that this has been done I put the President on the witness-stand. In his message of December 1, 1873, he says:

In view of the great actual contraction that has taken place in the currency and the comparative contraction continuously going on, due to the increase of population, increase of manufactures and all the industries, I do not believe there is too much of it now for the dulllest period of the year. During the last three years the currency has been contracted directly by the withdrawal of 3 per cent. certificates, compound-interest notes, and 7.30 bonds outstanding on the 4th of March, 1873, all of which took the place of legal tenders in the bank reserves to the extent of \$63,000,000. During the same period there has been a much larger comparative contraction of the currency. The population of the country has largely increased. More than twenty-five thousand miles of railroads have been built, requiring the active use of capital to operate them. Millions of acres of new land have been brought under cultivation, requiring capital to move the products. Manufactures have multiplied beyond all precedent in the same period of time, requiring capital weekly for the payment of wages and the purchase of material; and probably the largest of all comparative contraction arises from the organizing of free labor in the South.

Gentlemen in this Hall or out of it may deny that there has been any contraction of the currency; but with all due deference to them I prefer to take the statement of the President, whose views are just and statesman-like. The actual contraction bears no proportion to the comparative contraction growing out of the increase of population and consequent increased demand for money for new avenues for its employment. Forty millions of people require more money than thirty millions, everything else being equal, and if the larger had no more than would suffice for the lesser, there would be a scarcity and consequently oppression in business. But the greatest possible contraction lies in the fact that the South, so long prostrate and unproductive from the desolating effects of the war, is just springing into life and energy, like a strong man girded for the contest, and to develop all her industries requires a vast outlay of money, more from the fact that it starts as it were from the bottom rung in the ladder of poverty. At the close of the war we had plenty of currency for the business of the country; it was confined in its circulation to the Northern States or largely so; but after the peace, which, God willing, may never be broken, the South gradually opened to the circulation of our money, and it flowed in rapidly because that section was absolutely without money, its own confederate currency having gone down with the flag at Appomattox. It at once demanded an immense amount of money and the drainage to go there began to be noticed at the North; for an amount of currency not too great for half the people was now forced to do the business of the whole, creating a large comparative contraction.

Two features of the times present themselves: contraction of the currency and hard times going hand in hand; and as contraction, actual and comparative, increased year by year, depression in all branches of business became more and more intense, until it culminated in a general crash in 1873. There was no lack of funds in

business circles or lack of confidence in the future up to the period when to contract the currency became the settled policy of the Government; but as soon as contraction was understood to be the policy of the Government all was changed, and there was at once a lack of confidence in the future, an uncertainty as to the extent to which that policy would be pushed by the Government, for however politicians may differ as to the effects of a radical contraction of the currency, capital, ever wary and watchful of its interests, is never deceived and was not now deceived, but at once set its house in order to gather the rich harvest about ripening for its sickle under the scorching sun of contraction. And yet we are told that the only remedy lies in still further contraction to the extent of wiping out the entire greenback circulation.

But let us try this question also by the lights of experience. We have noticed the wonderful prosperity of England under inconvertible paper from the bank suspension in 1797 to 1819, at which latter date the bill for a gradual return to specie payment became a law, full resumption to be obtained in four years. As soon as this law was passed the bank at once prepared for the resumption of specie payment by the most stringent efforts to contract its paper circulation so as to render redemption in coin possible, and did succeed in reducing the circulation in the four years of preparation for final resumption \$100,000,000. The effect of such a contraction is best told by a historian of that period.

Alison says:

The effects of this extraordinary piece of legislation were soon apparent. The industry of the nation was speedily congealed, as a flowing stream is by the severity of an arctic winter. The alarm became universal, as wide-spread as confidence and activity had been. The country bankers who had advanced largely on the stocks of goods imported refused to continue their support to their customers, and they in consequence were forced to bring their stock into the market. Prices in consequence rapidly fell; that of cotton in particular sank in the space of three months to half its former level. The country bankers' circulation was contracted by no less than five millions sterling. The entire circulation of England fell from £48,278,000 in 1816 to £40,928,000 in 1820; and in the succeeding year it sunk as low as £34,145,000. Nothing in this disastrous contraction of the currency at a period when its expansion was so loudly called for sustained the national industry or averted a general bankruptcy but the fortunate circumstance that the obligation on the bank to pay specie was by the act of 1819 only to commence on the 1st of February, 1821, and this enabled that establishment in the preceding autumn, when the crash began, not only not to contract its issues, but even in a slight degree to increase them.

The effects of this sudden and prodigious contraction of the currency were soon apparent, and they rendered the next three years a period of ceaseless distress and suffering in the British islands. The accommodation granted by bankers diminished so much, in consequence of the obligation laid upon them of paying in specie when specie was not to be got, that the paper under discount at the Bank of England, which in 1810 had been £23,000,000, and in 1815 not less than £20,600,000, sunk in 1820 to £4,672,000, and in 1821 to £2,676,000. The effect upon prices was not less immediate or appalling. They sunk in general, within six months, to half their former amount, and remained at that low level for the next three years. Imports sunk from nearly £30,000,000, in 1818, to £22,700,000 in 1821; exports, from £45,000,000 in the former year to £35,000,000 in the latter. Distress was universal in the latter months of the year 1819, and that distrust and discouragement were felt in all branches of industry, which are at once the forerunner and the cause of disaster.

Speaking of the condition of the country and the causes alluded to, Mr. Baring, a member of the celebrated firm of Baring Brothers, and one of the most honorable and sagacious bankers of his time, said:

Looking at the facts growing out of the contraction of the currency, it is material to show what is the state of the country in this the sixth year of the peace. Petitions are coming in from all quarters remonstrating against the state of suffering in which so many classes are involved and none more than the agricultural class. When such is the state of the country in the sixth year of peace and when all the idle stories about overproduction and underconsumption and such like trash have been swept away, it is natural to inquire into the state of a country placed in a situation without a parallel in any other nation or time. No country ever before presented the continuance of so extraordinary a spectacle as that of living under a progressive increase in the value of money and decrease in the value of the productions of the people. It appears clear that from the operations of the currency we have loaded ourselves not only with an immense public debt, but also with an increased debt between individual and individual, the weight of which continues to press upon the country and to the continuance of which pressure no end can be seen.

In Doubleday's History of England we find the following statement of the effect of the resumption measures:

As the memorable 1st of May, 1823, drew near, the country bankers as well as the Bank of England naturally prepared themselves by a gradual narrowing of their circulation for the dreaded hour of gold and silver payments "on demand," and the withdrawal of the small notes. We have already seen the fall in prices produced by this universal narrowing of the paper circulation. The effects of the distress produced all over the country, the consequence of this fall, we have yet to see.

The distress, ruin, and bankruptcy which now took place were universal, affecting both the great interests of land and trade; but among the landlords whose estates were burdened by mortgages, jointures, settlements, legacies, &c., the effects were most marked and out of the ordinary course. In hundreds of cases, from the tremendous reduction in the price of land which now took place, the estates barely sold for as much as would pay off the mortgages, and hence the owners were stripped of all and made beggars.

In 1822 a resolution was offered in the British Parliament calling for a committee to consider the effect of the resumption act upon the industrial interests of the kingdom, and in the debate growing out of it Mr. Atwood said:

In the year 1818 the average price of wheat was eighty-four shillings per quarter; and if the present price be taken at forty-seven shillings, that is a reduction on wheat of thirty-seven shillings, which is equal to a fall £45 in every £100, or 45 per cent.

The price of iron in the year 1818 appears to have been £13; that price is now £8 per ton, and is equal to a reduction of about 40 per cent.

The price of cotton in 1818 was one shilling, and it was sunk to sixpence per pound, which is a fall of 50 per cent. on cotton.

Wool in the year 1818 sold at 2s. 1d., which now sells for 1s. 1d., and there is, therefore, in wool a fall of nearly 50 per cent.

The fall that has taken place, therefore, since 1818 in iron, in cotton, and in wool is as great as the fall in wheat. These are the great staples of commerce, and the average of the fall upon all three is 45 per cent., being exactly the reduction in grain.

This is recommended to the consideration of those who tell us of overproduction and an excessive cultivation of corn-land; but I refer also to a table compiled by Mr. Tooke, which contains a list of the principal articles of commerce and manufactures, thirty in number, which exhibits the same fall of 45 per cent. in all the articles except indigo, the price of which has been sustained, as I am informed, by circumstances of an exceptional kind.

The fall, therefore, is not peculiar to the products of agriculture, but is universal and has embraced every article of industry and every article of commerce. This fall of prices must have been produced by one of two causes: either the quantity of all commodities has increased or the quantity of all money has diminished. One of these must of necessity have occurred, for the proportion is altered. Are we to believe that great changes have suddenly taken place in the productive powers of nature or the resources of art, so as to account for this sudden and universal fall in prices?

Is it likely that production in all the branches of industry, agricultural and manufacturing, would go on for three years constantly increasing in the presence of a constantly diminishing price? Evidently, it is not so.

In the midst of this fall of prices what operation in business could proceed without loss or ruin? There has been no form in which the capital of the merchant, none in which the capital of the manufacturer, could be invested without the half of it being sacrificed during this calamitous period. We have been thrown back upon a condition of society in which all industry and enterprise have been rendered pernicious or ruinous, and where no property is safe unless hoarded in the shape of money or lent to others on a double security.

Finally, the distress was so great that the Parliament felt obliged in the very year fixed for final resumption to extend the circulation of paper money, when immediate relief followed. Two years later the bank attempted to reduce its circulation of paper, in other words, contract the currency, which, says Alison, was followed by a destruction of values and a loss of production as great as if a fire had swept over half the island. Seventy banks failed and two-thirds of the merchants suspended, followed by the usual distress and suffering to the workman and his family.

Relief was found in a further issue of paper money, always an un-failing remedy, showing beyond cavil or question that the trouble was caused by reducing the volume of the currency below the necessities of trade and below the amount the people had been accustomed to and to which the business of the country had adjusted itself.

Now, is this history of British finances, so closely in its general features and detail resembling our own, of no force and value to us? How can we ignore the great truths contained in these illustrations? How is their bearing upon the questions we are considering for ourselves to be denied? Either history lies and the observations of the most careful observers teach falsehoods, or the experience of England ought to control our action. Yet gentlemen in the discussion of this question will persist in ignoring these truths of history, and without attempting to refute them, boldly assert, in the face of this experience, that the only salvation for our country lies in the same course so often followed by the British financiers, and which invariably brought ruin to their country, while they have only words of condemnation of the policy we advocate, and which the English were always compelled to resort to to relieve the country from the evils of contraction.

Point me to a single instance anywhere when a contraction of the currency has not produced just the condition of things existing in England and in this country while contraction was going on. It cannot be done. Such results follow as unerringly as the needle points to the pole. Yet the country is full of "Daniels," who set at defiance all experience, all history, and ascribe results, which the best writers on social science and the most noted financiers in Europe or this country charge to an undue contraction of the currency, to the material of which that currency is composed. Let us examine for a moment the condition of our own country at the time this policy was entered upon. From 1865 to 1869 the circulation had been large, lending a wonderful impetus to all branches of business. Thousands of miles of railways had been built; millions of acres of new land had been brought under cultivation; manufactures had multiplied beyond precedent, requiring vast sums of money and giving useful investment to immense sums that but for the new avenues to its use would not have been called for. The plenitude of money was of itself an inducement to an embarkation in enterprises that otherwise would not have attracted attention; and therefore it is no doubt true that very large sums of money were invested in enterprises of recent origin and rapid growth, like the growth of vegetation under the stimulating influences of fertile soil and genial sun. But at the very noontide of this prosperity, when the demands of trade and commerce were established and fashioned to the conveniences and privileges awarded by an abundant currency, comes contraction, to culminate in resumption in 1879, and we find the same condition of things that we experienced in 1861 and was experienced in England in her efforts at resumption from 1819 to 1825, and which must grow in intensity as the day of complete resumption approaches, because resumption means nothing more nor less than the destruction of the whole greenback currency, and resulting, as I shall attempt to show, in a much larger contraction than even that. The consequences will be fearful, but are easily foretold.

Is it a wonder that capital hoards itself in anticipation of the rich harvest in store for it? Is it a wonder that the busy hum of industry is hushed, that enterprise stands aghast and looks on amazed at the follies of men, and that labor in alarm cries out for work? For all know what resumption means, that it means scarce money, its purchasing power increased, while the relative value of everything else is diminished in the same ratio. It means that capital is to be bene-

fited to the injury of everything else. The industries of this country that have grown up with and are giving profitable employment to a currency amounting to at least \$750,000,000 can never survive a contraction of one-half of that sum; they cannot; that is history; and the same results must follow in the attempt of our Government to resume by contraction that have always attended a forced resumption policy everywhere. There are few failures in business, while the volume of currency is ample; all that can find profitable investment; but the moment the ordinary, full, ample volume is diminished through a settled policy of contraction, that moment there is trouble.

In 1865 we had, according to the report of the Secretary of the Treasury, \$1,100,000,000 in circulation; now we have, say, \$750,000,000. During 1863, 1864, and 1865, the years of the greatest expansion, the liabilities of the commercial failures amounted to \$34,000,000. At this point, 1865, McCulloch inaugurated his policy of reducing the currency, followed in 1866 with commercial failures amounting to forty-eight millions, or fourteen millions more than in the previous three years before contraction was resorted to. In the next three years, down to and including 1869, under the same policy, the liabilities of commercial failures reached the astounding sum of \$208,000,000; and McCulloch, in his report for 1868, boasts that since August, 1865, he had reduced the circulation \$372,000,000. For the years 1870, 1871, and 1872 the aggregate of liabilities of commercial failures amounted to two hundred and eighty-six millions, and for the single year of 1873 to two hundred and twenty-eight millions.

After such a record as this, can there be a glimmering, lingering doubt in the mind of any man of the ruinous effects of such a policy? But gentlemen tell us there is no contraction of the currency; how then is resumption to take place? It cannot be brought about at the early day fixed for it with the present volume of currency. Nobody pretends it can be accomplished except in the destruction of the entire volume of legal-tenders. In some way and by some means it is proposed to retire the whole greenback currency, take them out of circulation, the effect of which would be the same as it would be if the legal-tenders were declared invalid by reason of a want of power in the Government to issue them.

The Supreme Court of the United States, in passing on the question of the right of the Government to issue and make the greenbacks a legal tender, and the effect upon the country of a decision in such an event declaring such currency invalid, said:

All debtors are loaded with an obligation it was never contemplated they should assume. A large percentage is added to every debt, and such must be the demand for gold to satisfy contracts that ruinous sacrifices, general distress, and bankruptcy may be expected. *These consequences are too obvious to admit of question.*

These consequences follow by reason of the contraction of the currency to the extent of the greenback circulation, and it can make no possible difference whether that is brought about by declaring the greenbacks illegal, and therefore not money, or by funding them into gold bonds. The effect is the same. The volume of the currency is diminished in the same amount by either process, and the effect upon the country must be the same. Will some learned advocate of resumption explain the important phenomena, too common to be considered remarkable, that this unhappy condition of the country never exists under currency sufficient in volume to satisfy the demands of trade, but does appear the moment the volume in actual use is diminished to an appreciable extent, and disappears as soon as the amount abstracted is supplied. Says an eminent writer:

Whenever the money volume of the currency of a country is not large enough to furnish a circulation sufficient for the business of the people all trade will suffer, manufactures will be stopped, enterprises checked, debtors become insolvent, and as a consequence the laboring-classes will be thrown out of employment and reduced to the verge of starvation. An increase of the money to the proportion required by the growing developments of trade will on the other hand necessitate an increase of all kinds of enterprises and effect a corresponding prosperity among all classes of people.

Another objector says the trouble lies in our having too much money, and an able Senator declared in debate that the volume of currency should be reduced to I think \$500,000,000, and that when so reduced it would possess more purchasing power than the \$750,000,000 we now have in circulation. Ah, to him who hath the money this argument will commend itself, but what shall be said of him who hath it not, and who, to obtain it, must sacrifice his property just to the extent the purchasing power of money is enhanced. It is to the debtor class that this question presents itself in all its terrible and hideous deformity. There will be no suffering on the part of "Money Bags;" he will get his pound of flesh though it reduce the poor debtor to starvation.

Now are we to profit nothing by the experience of the past in our own and other countries, furnishing the most indubitable evidence of the consequences attending a serious contraction of the currency below the amount to which the country has become accustomed, and with all that experience pointing in one unbroken line to and exposing the terrible evils always attending such a policy? Are we to pay no heed to all this experience and example of a hundred years of advancing science and civilization, furnishing not one fact to contradict these conclusions, notwithstanding our situation since this resumption policy was entered upon is and has been precisely the situation of every people where such a policy has been resorted to, and blindly and arbitrarily ascribe our troubles to circumstances which, although present whenever such a currency has been used, have never been understood as productive of mischief? Such a currency received the ap-



probation of Franklin and Jefferson and Calhoun, was resorted to with advantage in the financial troubles of England already alluded to, carried our country through the most stupendous as well as the most lamentable war ever enacted on this continent, and enabled France to withstand the terrible results of the German war. Of this currency President Grant in the message already mentioned says:

My own judgment is, \* \* \* that a specie basis cannot be reached and maintained until our exports, exclusive of gold, pay for our imports, interest due abroad, and other specie obligations, or so nearly as to leave an appreciable accumulation of the precious metals in the country from the products of our mines.

To increase our exports, sufficient currency is required to keep all the industries of the country employed. Without this, national as well as individual bankruptcy must ensue. \* \* \* Elasticity to our circulating medium, therefore, and just enough of it to transact the legitimate business of the country, and to keep all industries employed, is what is most to be desired. \* \* \* The experience of the present panic has proven that the currency of the country, based as it is upon the credit of the country, is the best that has ever been devised. Usually in times of such trials, currency has become worthless, or so much depreciated in value as to inflate the values of all the necessities of life as compared with the currency. Every one holding it has been anxious to dispose of it on any terms. Now we witness the reverse. Holders of currency hold it as they did gold in former experiences of a like nature.

It is patent to the most casual observer that much more currency, or money, is required to transact the legitimate trade of the country during the fall and winter months, when the vast crops are being removed, than during the balance of the year. With our present system, the amount in the country remains the same throughout the entire year, resulting in an accumulation of all the surplus capital of the country in a few centers, when not employed in moving crops, tempted there by the offer of interest on call loans. Interest being paid, this surplus capital must earn the interest paid with a profit. Being subject to "call," it cannot be loaned, only in part at best, to the merchant or manufacturer for a fixed term. Hence, no matter how much currency there might be in the country, it would be absorbed, prices keeping pace with the volume, and panics, stringency, and disasters would ever be recurring with the autumn. Elasticity in our monetary system, therefore, is the object to be attained first, and next to that, as far as possible, a prevention of the use of other people's money in stocks and other species of speculation. \* \* \* In view of the great actual contraction that has taken place in the currency, and the comparative contraction continuously going on, due to the increase of population, increase of manufactures, and all the industries, I do not believe there is too much of it now for the duldest period of the year. \* \* \* During the last three years the currency has been contracted, directly, by the withdrawal of 3 per cent. certificates, compound-interest notes, and 7-30 bonds outstanding on the 4th of March, 1899, all of which took the place of legal-tenders in the bank reserves to the extent of \$63,000,000.

During the same period there has been a much larger contraction of the currency. The population of the country has largely increased. More than twenty-five thousand miles of railroad have been built, requiring the active use of capital to operate them. Millions of acres of land have been opened to cultivation, requiring capital to move the products. Manufactures have multiplied beyond all precedent in the same period of time, requiring capital weekly for the payment of wages and for the purchase of material; and probably the largest of all comparative contraction arises from the organizing of free labor in the South. Now every laborer there receives his wages, and for the want of savings-banks the greater part of such wages is carried in the pocket or hoarded until required for use.

These suggestions are thrown out for your consideration, without any recommendation that they shall be adopted literally, but hoping that the best method may be arrived at to secure such an elasticity of the currency as will keep employed all the industries of the country.

I commend this opinion of the republican President to the gentleman from Massachusetts who pronounces this currency a "cheat and a fraud." "There is plenty of money lying idle in New York," we are repeatedly told. Money is plenty in Wall street, I suppose; but to whom? To the man who is able to pay the interest demanded and who is able to put up United States gold bonds as security to repay the sum loaned on demand. To such borrowers money is plenty; but to the class that desire to put the money into enterprises in which the country is interested there is not a cent: first, because such borrowers cannot use the money to advantage and have it subject to be demanded at any time and, secondly, because that class of borrowers cannot put up gold bonds as security; so the fact is that the speculators in stocks, the "bulls and bears" of the money market, to the injury of all legitimate business, can get all the money they want to use, because their business is such that they are enabled to repay at any time; but not a dollar for him whose capital is his reputation and who would use the money to the general benefit of the whole country.

What has stopped the wheels and looms of our factories and turned their operatives into vagrants and tramps, and dried up so many enterprises hitherto prosecuted with so much vigor and benefit to all classes of society? I answer, money cannot be obtained for the purposes, and therefore they languish. And why is all this "plenty money" idle in Wall street in the face of such wide-spread necessity for its use? We know that ordinarily money goes into the business of the country, becomes, so to speak, the "handmaid of commerce," is loaned to those who desire to invest it in the usual business enterprises of the country, and any legitimate business fairly conducted has not in times past been allowed to languish for the want of money; but now all this is changed, and why? Because the language of this contraction policy with a view to resumption is that under its operation manufactures will be obliged to stop work for want of a market for their goods. Lumbermen will be obliged to hold their stocks or sell on credit; large numbers of people will be out of employment; nobody is able to buy, because not able to pay; and therefore consumption will be greatly lessened and money scarce. If money is loaned to persons in branches of business thus affected it will not be repaid. Money on hand is growing in value every day, and when complete resumption takes place it will be worth as much as gold, and so the man of money keeps his funds so invested that he can get it the moment it is wanted to be "resumed" into gold.

These are the circumstances under which money is plenty and the

reasons why it remains in Wall street, not because it is not wanted in the ordinary channels of business, but because those who would use cannot get it, or if they could get it dare not because of the uncertainties of the future.

The scheme for converting the greenbacks into 3.65 bonds and their reconversion into greenbacks again is naively pronounced by my friend from Massachusetts either a "gigantic folly or a stupendous fraud." Persons holding views on this question antagonistic to mine might perhaps reasonably claim my views to be a folly, but how this scheme can be characterized as a fraud is not quite clear, inasmuch as the interchange is altogether optional with the holder, the greenbacks are worth as much as bonds, and no more, and the only advantage in the conversion is that the bond draws interest. I fail to perceive the fraud, and I think it will trouble the gentleman to demonstrate just where the fraud comes in.

But let us examine it for a moment. There is a necessity for some provision of this kind to avoid a difficulty present in every hard-money system, namely, a want of elasticity; and I contend that no financial system is perfect which allows the Government or the banks arbitrarily to fix the amount of the currency which may be allowed to circulate and above or below which it cannot go, because, as everybody knows, more money is needed at one time than another, depending on circumstances such as the moving of the crops, the necessity of supplying some product that has failed, to build up a burned city, &c., and the President hit the nail squarely on the head in his message of December 1, 1873, when he said:

To increase our exports, sufficient currency is required to keep all the industries of the country employed. Without this, national as well as individual bankruptcy must ensue. Elasticity to our circulating medium, therefore, and just enough currency to transact the legitimate business of the country and to keep all the industries employed, is what is most needed. It is patent to the most casual observer that much more currency or money is required to transact the legitimate trade of the country during the fall and winter months, when the vast crops are being moved, than during the balance of the year.

With our present system the amount in the country remains the same throughout the year, resulting in an accumulation of all the surplus capital of the country in a few centers, when not employed in moving crops tempted there by the offer of interest on call loans. Being subject to call, it cannot be loaned. Hence no matter how much currency there might be in the country it would be absorbed—

In call loans—

prices keeping pace with the volume, and panics, stringency, and disaster would ever be recurring with the autumn.

Why with the autumn? Because more money is then needed to move the crops, and being already absorbed in call loans in the large cities it cannot be had, and therefore money is scarce.

Elasticity in our monetary system therefore is the object to be first attained.

But just how this fault in any hard-money system is to be remedied is the very question to be solved. And bearing on this question I read from the report of the Secretary of the Treasury for the year 1873:

It must be obvious to all who have an interest in, or who have watched the course of, the business or financial relations of the country, that there are times when the real wants of the country demand and there should be an increase of currency, and that there are other times when the safety of all legitimate business requires that it should be largely reduced. What is really needed is a currency so flexible as to at all times accommodate itself to the real business wants of the whole country.

The greatest objection to an exclusively metallic currency is its want of elasticity. That there are regular recurring times when the wants of legitimate trade require an expansion of the circulating medium to an amount much greater than is necessary at other times, is a fact that is patent to all observing business men. When the times arrive for the purchase of the crops and other products of the country, and for their transportation from the interior to the seaboard and a market, immense amounts of currency are imperatively demanded for the purpose, which, when the mission is accomplished, are not wanted for any legitimate purposes of trade and commerce; and, therefore, seek, for the time being, other channels of profitable use. Unfortunately, not being needed as a medium for the interchange of values, this redundancy of the currency is driven into channels of wild speculation in fancy stocks and visionary enterprises. Here it is stranded; and when again needed for the real wants of the people, for the proper transaction of the business of the country, it cannot be had, and the staple commodities and crops that then seek a market are hindered and kept back, through which all classes of people are injured and damaged. \* \* \* For these notorious evils a remedy should be found and interposed. In looking over the whole ground, no scheme has presented itself that would be so likely to accomplish the end in view as the authorization by Congress of the issue of a certain amount of legal-tender notes, that could at all times be converted into a currency interest-bearing stock of the United States, and for which the holder of such stock so authorized could at pleasure, at any time, receive legal-tender notes, with the accrued interest, from the day of issue of such stock to the day of its redemption. It is believed that a rate of interest no higher than 3.65 per cent. will be high enough to absorb the desired amount of the circulation when not needed for commercial purposes, and low enough to force the return of the bonds in exchange for legal-tender notes at the times when the business wants of the country shall require more currency. \* \* \* This practice on the part of national banks of paying interest on deposits, and especially that of one bank allowing interest on the deposits of another, whether they be permitted to hold the proposed bonds as a part of their reserves or not, should be forbidden by law, under the severe penalty of the forfeiture of their charters.

Indorsing these views is the report of the Comptroller of the Currency for the same year.

In addition to the opinions of these gentlemen, whose official position compels them to reflect on the best means of supplying and regulating the currency so as to adapt it to the necessities of the people, I might call attention to the sayings and writings of the best minds in the country versed in the principles of social science, who have considered this question from no political or partisan standpoint, but from a desire to ascertain the truth. Yet in the face of the teachings of these eminent men the politician of a day will coolly pop up in his place and, without attempting an argument, pronounce this

interconvertible-bond scheme a "gigantic folly or a stupendous fraud," which means, I suppose, that those who advocate it are either "knaves or fools."

"What becomes of the dollar in all this jugglery between greenbacks and bonds?" says Mr. SEELYE. "The greenback," say the Supreme Court, "is equivalent in value to the representative of value under the coinage acts." In other words, that the greenback, like a gold or silver coin dollar and to the same extent, is a legal representative of value, is merged in the bond when not wanted for use, drawing as high a rate of interest as labor pays.

What are the objections to this scheme? I have heard none going to its usefulness; nothing save an attempt to prejudice the public mind against it by pronouncing it a fraud, but we are not told in what the fraud consists. Its benefits are that it furnishes a safe temporary investment for funds not wanted for immediate use, to remain in the nature of "call loans," the bonds being convertible into legal-tenders whenever wanted for business purposes—far safer than to deposit in any bank where there is no security save the personal integrity of the banker, which sad experience has often demonstrated is not the best security a person can have for the repayment of money; but here the person would have the bond of the Government, and for the payment of which, principal and interest, its faith is pledged. This scheme once in operation, and we should hear less of losses by the failure of so-called "savings-banks," but which are in fact but chartered institutions to swindle the people. Such a scheme would meet with favor from the people. The gentleman seems startled because this interconvertible-bond scheme has become so prominent in to-day's politics; but does he not know that the principle was recognized and approved and put in practice by one of the ablest financiers that ever stood at the head of the Treasury?

In his report of December 10, 1863, Secretary Chase, in speaking of the benefits that would ensue from a distribution of the public debt among the people, said:

To this end he desired authority to receive temporary loans in the form of deposits re-imbursable after a few days' notice.

Acting upon this suggestion Congress authorized the receipt of \$25,000,000 at a rate of interest not exceeding 5 per cent., then raised the limit to \$50,000,000, and soon increased it to \$100,000,000, and in a short time the highest limit was reached, and when the first account was made up it had reached \$107,000,000. This shows that the people would gladly accept the United States Treasury as their savings-bank and lend it their surplus earnings. Said the Secretary in continuation:

These convictions remain unchanged and seem now to be shared by the people. For the first time in our history has a real approach to a uniform currency been made, and the benefits of it felt by all. \* \* \* The limits of deposits for temporary loans are fixed at \$100,000,000. The Secretary perceives no solid reason for retaining the restriction on loans in this form to that amount. It may be usefully removed. As the advantages of these deposits become better and more generally understood, the loan in this form will doubtless in the absence of restrictions be largely increased. Such an arrangement, the Secretary thinks, would operate beneficially by increasing the amount of currency when unusual stringency shall require increase, and reducing its amount when returning ease shall allow reductions.

When money is plenty beyond the immediate wants of those who have it, such surplus can be deposited with the Government at interest, in that way reducing the volume of the currency to the actual demands of business. When the busy season comes, such as moving the crops, and a stringency is felt, the deposits can be withdrawn and the greenbacks go into circulation, relieving the stringency in the money market. This is the substance of the recommendation of Mr. Secretary Chase and contains the whole gist of the present interconvertible plan; and it is respectfully submitted that it contains neither fraud nor folly. Fortunate would it have been for this country had Mr. Chase continued in charge of its finances.

But, as before remarked, it is not intended to force this scheme on the people if they prefer to still leave their surplus money with savings-banks and other institutions which speculate and trade in their depositors' funds at the sole risk of the depositor, there is no law to prevent it; it is simply offered to the people as furnishing a convenient and safe deposit, and which it is believed will prove as beneficial to the Government as it will be safe to them.

But one class of people have any reason to object to this scheme. Those who might have occasion to take advantage of the privileges it affords should not object to it, because, if not approving it, they are not obliged to patronize it. But I can well see why the savings and other deposit banks should be opposed to it, because it offers superior advantages to depositors, and therefore will be likely to take from these banks a large portion of the funds they now receive on deposit, and which they loan out and use in speculations, and from which they hope to derive a profit; if they lose their deposits of course "Othello's occupation is gone." Hence the tremendous efforts of the money power to prevent the adoption of this plan; but this, or some other plan presenting its prominent features, will in the near future be resorted to, for the idea is rapidly impressing itself upon the minds of the people that some principle shall be introduced into our finances that shall in volume enable it to adjust itself to the ever-varying demands of trade, and if any better than the plan under discussion shall be proposed, for one I shall gladly accept it. Millions are lost to the depositors and thousands of people reduced to absolute beggary every year by the failure of savings and other banks of de-

posit. People deposit their all in these institutions without the security of a cent for a return of the money, while in this plan there is no possible chance of loss because the United States is the banker.

The republican party having decided to force resumption on the 1st of January, 1879, the only remaining question for consideration is how to do it. The gentleman in his speech says three plans are proposed: The first is to hoard gold until a sufficient amount is secured to make resumption possible. A second plan is to destroy the greenbacks as fast as they are paid into the Treasury in payment of public dues; and he ventures the opinion that this plan if rigidly adhered to will produce specie payment. It becomes inevitable, he asserts, as soon as the paper is driven out. It stands in the way of specie payment. No doubt the gentleman is correct. The effect of the retirement of the greenbacks will be to bring us to a currency of gold and silver, but it will be attained only through more suffering than was ever witnessed in this country before, because the effect will be to drive the national-bank notes which are redeemable in greenbacks out of circulation, for the profit on their circulation will not allow the banks to keep gold idle in their vaults with which to redeem their bills as long as gold remains at its present price. It seems to me the sheerest folly to suppose the banks can float their bills. So long as gold is worth the present premium there is not a single bank in the United States that could stand the pressure thirty-six hours. They would be at the mercy of the gold brokers to the extent of their circulation. We have a legal-tender circulation of nearly \$400,000,000. How much gold must be collected to commence with, to make complete resumption sure, gentlemen do not tell, or where it is to come from. Of course if it is got at all it must be in Europe, and will it be possible to obtain it there?

In speaking upon the probability of obtaining any considerable quantity of gold for the purposes of resumption, Mr. BOUTWELL, former Secretary of the Treasury, says:

It is useless to attempt to bring any considerable amount of gold from Europe to this country, because the money interest will combine to prevent it, and will be able to prevent it. When the sum of but \$21,000,000 belonging to this country had accumulated in the Bank of England, we were notified that the attempt to take it away would be resisted with all the power of the bank, and the same course was pursued with regard to the Geneva award and the United States was obliged to accept in lieu of the gold which belonged to them securities. There are in the nine principal banks of Europe only \$600,000,000 in specie, and it is held as a reserve with reference to their local business and with reference to the great transactions that take place between the countries on the continent of Europe and Great Britain. In the face of these facts is it to be assumed for a moment that we can go into the markets of the world and purchase gold with which we can redeem four, three, two, or even one hundred million outstanding legal-tender notes?

Such evidence is sufficient to show the utter hopelessness of such a scheme if no other reason existed. But aside from that consideration, and conceding that a sufficient amount of gold can be procured, the hoarding of so large an amount of gold would create still further derangement of the currency by increasing the scarcity and consequent value of gold, and would derange the finances of every country in which gold is an important element, producing contraction with all its attendant injuries, and in addition the loss to the world of the use of such a vast sum of money. But even that is not all. The gold if obtained at all must be by the sale of gold bonds to be issued by the United States—interest, of course, payable in gold. To this the people will not consent. Far better destroy the greenbacks than to still further increase the public debt to the extent of hundreds of millions to get rid of a currency with which the people are well satisfied.

Gentlemen say in answer to the admitted facts that the retirement of the legal-tenders will cause the withdrawing of the bank-paper. "Gold and silver will flow in as the paper is driven out;" but where will it flow from? We have seen that nine of the principal banks of Europe control at least one-half of all the gold in the world. Will they surrender it to us? And how shall we be able to retain it, even only sufficient to constitute the basis of a currency, in the face of our large foreign debt payable in gold, which is annually drawing from us far more than our mines produce? How, if the Bank of England was able to prevent the removal of the comparatively insignificant sum of \$21,000,000, our own property, shall we be able to obtain and bring away from Europe the hundreds of millions necessary for our use. No, sir; it cannot be done. We cannot maintain a currency of gold as long as we are sending so much money abroad to pay the balance of trade against us. When, through wise legislation, our industries shall be developed and our productive capabilities brought into full requisition, enabling us to spare enough for exportation, to turn the scales and leave a balance in our favor, then, and not until then, may we expect to see gold coming to our shores and taking up its abode with us. But industries are not encouraged or production increased by diminishing the volume of the currency. It is plenty of money that imparts life and vigor to industry and thereby increases production.

A third plan of resumption, and which the gentleman thinks should be at once put in operation, proposes the issue of interest-bearing gold bonds to be disposed of for greenbacks, that is, sell the bonds, taking pay in greenbacks, until the whole volume shall be absorbed. This scheme presents the question whether it is advisable to increase the interest-bearing public debt to discharge another debt (greenbacks) which bears no interest. Gentlemen should hesitate before attempting to push this scheme, for the people are opposed to any further increase of the public debt for such a purpose. I hope no such measure will succeed, for I believe it will be attended with re-



sults highly detrimental to the interests of this country. I believe I have already shown that the destruction of the greenback will necessitate the retirement of the national-bank notes in case resumption becomes a fact on the 1st of January, 1879.

The passage of the legal-tender act was most certainly the greatest blessing ever conferred upon a country, its salvation in the hour of its greatest peril; the people have become attached to it; it is the money of the people, and has served to wean them from the despotic power of gold. They nowhere believe there is a necessity for the destruction of the greenback circulation. They remember that before this contraction policy began, and before this threat of resumption was put in execution, the country was prosperous and the people contented, and that in consequence of its influences almost every enterprise and almost every business man in the country has been literally massacred, and they will not easily believe that this startling change from prosperity to adversity is due to any other than the causes which have always produced precisely the same condition that they now find the country in, namely, a contraction of the currency.

Under precisely the same circumstances England undertook to reduce the volume of her currency fully 50 per cent. to make it possible to redeem the balance in gold. The consequences were the same that we are now experiencing, and no other reason has ever been assigned for it. Why, then, should we attempt to assign any different reason for our difficulties; why talk about overtrading and overproduction as the cause? Some force might have been given to such an argument immediately after the war, when the immense surplus of Army supplies and productions called for by the war was thrown upon the country to encounter the difference in consumption between a state of peace and a state of war; but it must be remembered that ten years of profound peace have transpired, during which trade would, if uninfluenced by any other circumstances, have adjusted itself to the demands of the country.

The experience and sagacity and means of information of the manufacturing classes are such that, understanding about the power of consumption of the country supplied by them, they endeavor to adjust the supply to the consumption. It is for their interest to anticipate the demand as nearly as possible, because a production in excess of the demand glut the market, and low prices follow, to the injury of the producer, so that in the absence of any stimulating cause, such as prospect of an unusual consumption, there is not likely to be an overproduction sufficient to unsettle the entire business of the country. Uninfluenced by disturbing elements, the ordinary business of the country would in ten years have freed itself from the influences growing out of the war, and have adjusted itself in healthy channels. But we were at the close of the war in just that situation, a heavy foreign debt, trade largely against us, when every effort should have been made to increase our production of exportable articles, so that instead of sending money away with which to pay balances against us, foreign gold might be sent here for that purpose. Now let us bend all our energies and efforts to the accomplishment of that one object, and when we have so increased our products as to satisfy any demand, foreign and domestic, and in addition our products shall accumulate in our warehouses and elevators for want of a remunerative market, it will be time enough to talk of overproduction.

My friend from Massachusetts mournfully suggests "that unless the greenbacks are funded into interest-bearing gold bonds there is no escape from repudiation, because we cannot bear the burdens with which this delusive currency oppresses us." Repudiate with less currency than President Grant pronounced no more than enough for the dullest period of the year and the best the world had ever seen! Pennsylvania once thought of repudiation, but was happily saved such disgrace; the State and the people were bankrupt, and neither paid any debts, because there was no money; just the condition the theory of the contractionists will most assuredly get us into. Now what was done; still further contract the currency? Better than that: paid the debt by the State issuing \$3,000,000 in bills of credit a legal tender for all public dues; the people accepted those bills as money, and I am told they circulated freely all over the State, and were accepted in payment of private debts. With it the State paid its creditors, and with its help industry revived throughout the State, and the people in a short time were in the full tide of prosperity, and from that time forward the State progressed rapidly in all the departments of its industry. But suppose a contrary policy had been pursued, and the government had said to the people, "You must stand the pressure a little while longer; a little more want and wrestling with poverty; but be manly and do not complain; things will get down to hard-pan after a while, and you will be all the better for your sufferings." Would that have brought relief to the people, and when? And yet that is just what the resumptionists say to the people now.

Let us for a moment examine the course adopted by France under circumstances precisely similar to those under which this country was forced to issue government paper, and at the close of the war she found herself with a large paper circulation, greater than ever before, which she has not been obliged to redeem at all, but maintains to-day a circulation *per capita* larger than ours, and her legal-tender notes irredeemable in gold circulate along beside gold with only 2 or 3 per cent. between them; the nation is prospering, productions have largely increased, her exports are largely in excess of her imports, and gold comes to France to settle balances in her favor, and there is to-day four hundred millions in gold in the bank of

France. Paper money is legal tender for all dues, public and private; hence she has no use for gold. She paid a thousand millions of dollars of war indemnity to Germany, not in hard gold as Germany expected, but in bills of exchange drawn against her exports to foreign countries, and according to all accounts is more prosperous than at any former period of her history; no talk of contracting her currency. She has now in circulation and in bank, coin and paper, in round numbers \$800,000,000. How is it with us, with much less money in fact and less *per capita*. Our greenbacks are worth fifteen to eighteen per cent. less than gold, our industry paralyzed, our workmen idle; and if we are to believe what we every day hear from all quarters, from public speakers on both sides and from newspapers in every part of the country, there was never at any time before such general and widely spread distress and embarrassment as now exist. The balance of trade has been largely against us, a large debt held abroad, a Treasury with scarcely a dollar of gold in it, and our paper fifteen to eighteen cents below gold.

This difference between the two countries is so marked and well defined, that there must be a reason for it. It cannot be the result of mere chance. There is a reason, and I think it is found in the fact that when France issued inconvertible paper she made it a legal tender for both public and private debts, received it in payment of all dues to the government, and paid it to all her creditors, and consequently there was no demand for gold. By that process France kept her debt at home, fostered and encouraged her own industries, and by the amount of her exportations she prevented any drain of gold from her dominions and the taxation of her people to pay foreign debts. Why did we not follow her example and profit by her experience? We should have done so, but did not. Our Government refused to make its currency a full legal tender, but discredited it before the world by refusing to receive it in the payment of duties, and declaring that gold alone should be taken in discharge of the interest on the public debt; thereby creating two kinds of currency, a gold currency for the bondholder and a paper currency for the people, the direct effect of which was to depreciate the paper currency and create a new and extraordinary demand for gold. Without this vicious system, with the paper made a legal tender, there would have been no necessity for a single dollar of gold in this country, and the paper would have been worth as much as gold.

There is another distinguishing feature in the policy of the French government, and that is that the Frenchman, by stimulating every possible productive capacity of the people, kept all the wheels of industry in rapid and successful operation, actually paying an export duty to encourage the production of articles of prime importance and necessary to constitute France independent of the whole world; and so successful was she in her policy, that her people paid the enormous war debt in the surplus products they were able to export to foreign countries.

Now, what is the remedy for the currency evils now affecting the country so seriously? Appreciate the value of our paper currency by making it a full legal tender. That done, and the problem of resumption is solved, and it will be able to fulfill all the indispensable uses to which a currency of gold may be applied; because the only possible reason why gold is at a premium or greenbacks at a discount is that the Government by every means in its power has depreciated gold and discredited its own paper. Let us keep the control of the currency in our own hands and not surrender it to the money kings, who are striving to absorb the earnings of industry, and we shall have peace on this question, justice will be established, and the general welfare promoted; prosperity will again revisit our shores, and we shall vindicate the wisdom and superiority of our free institutions before the world.

Republican Success Essential to Legitimate Reform.

## SPEECH OF HON. JOHN H. BAKER,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

August 9, 1876,

On the necessity of the success of the republican party in order to secure legitimate reform.

MR. BAKER, of Indiana. Mr. Speaker, two years ago the democratic party went before the country on the claim of reform in the civil service, retrenchment in expenditures, and reduction of taxation. They succeeded in electing a large majority of the members of this House and in obtaining control in many States. In the impending presidential campaign the same issue is made prominent in the platforms of their national and State conventions, in the speeches on the floor of Congress, in the public press, and on the stump. From time to time the democratic candidate for the Presidency had given out that the battle-cry of the canvass was to be reform, and in his letter of acceptance he has amplified the same idea, hoping evidently by a mere catch-word to take captive the popular heart. This cry falsely implies that the republican party is opposed to reform. The flaunting of their party banner in our faces inscribed "reform" challenges attention to their record in the past and their practice at the

present time. In reform the people demand the genuine article and not a glittering sham.

The character of the last democratic national administration in every element constituting pure, economical, honest, patriotic government was so shameless that no man can be found hardy enough to defend it. Covered with corruption and swarming with speculators from the public Treasury, there was no department of that administration that was not honey-combed with frauds and crimes. It is difficult to determine whether the imbecility and wickedness of the President or the treason fostered and encouraged in the Cabinet and in the Halls of Congress are more calculated to arouse patriotic indignation. The incapacity of that party to retrench expenditures while controlling the national administration is shown by its creation of a debt annually to carry on the Government in time of peace. The expenditures exceeded the revenues as follows:

For the fiscal year ending June 30—	
1856.....	\$27,529,904 43
1859.....	15,584,511 10
1860.....	7,065,990 56
1861.....	25,036,714 50
Making the total indebtedness created.....	75,217,120 59

Comparison of the expenditures of 1875 with those of 1860.

Subjects of expenditure.	Expenditures for fiscal year 1875.	Deductions of expenditures in consequence of the rebellion, 1875.	Expenditures on peace basis, 1875.	Expenditures in 1860.
Congress.....	\$5,137,012 47	\$501,536 38		\$2,610,529 43
Executive.....	10,152,860 68	2,889,065 67		2,347,458 05
Judiciary.....	4,187,638 21	1,305,876 07		1,181,667 93
Territorial governments.....	290,416 77			
Total civil list.....	19,767,918 13	4,876,478 12	\$14,891,440 01	6,148,655 41
Foreign intercourse.....	3,231,087 13	2,016,286 95	1,214,800 18	1,163,207 15
Miscellaneous.....	48,071,697 73	28,616,528 53	19,455,169 19	30,658,007 92
Indians.....	8,384,656 82		5,384,656 82	3,955,666 59
Pensions.....	20,456,216 92	20,456,216 92		
Military establishment.....	41,130,645 98	10,709,169 62	30,421,476 36	16,409,767 10
Naval establishment.....	21,497,626 27	4,991,406 34	16,506,219 93	11,513,150 19
Interest on public debt.....	103,093,544 57	103,093,544 57		3,177,314 62
Total.....	274,623,392 84	189,849,630 35	84,773,762 49	63,925,788 98
Deduct 12.675 per cent., the average premium on gold during the year, the expenditures here given being in currency while those of 1860 were in gold.....			10,745,074 40	
Deduct items which are not in reality expenditures, but which appear so by reason of the system of book-keeping in practice in the Department.....			74,028,688 09	
			4,172,570 32	1,022,380 34
			60,856,117 77	61,402,408 64
Excess of expenditures of 1875 over 1860.....			\$2,453,709 13	

The expenses for the year 1876 are less by several millions than they were in 1875, so that for the present fiscal year the expenses of the Government, after deducting the expenses growing out of the war debt and war claims are about the same as in 1860. The above statement shows that the expenses for 1875 exceed those of 1860 by only the sum of \$2,453,709.13. This statement, which is entirely authentic and official, shows in detail that the reckless and partisan charges of the democratic vice-presidential candidate are wholly unfounded. This misstatement was knowingly made by Governor Hendricks for bad party purposes. It demonstrates what a moment's reflection must convince any impartial mind is the truth, and that is that the great and overwhelming burden under which our people labor, and which hangs like an incubus on our prostrate industries, is the bitter fruit of a wicked and causeless rebellion. And yet the very men who have nearly wrought our ruin, with an effrontery unparalleled, ask the people to place in their keeping all that is valuable in the present or hopeful for the future.

In 1860 the population of the country was in round numbers 31,000,000. The net ordinary expenses of the Government *per capita* were \$2.04 in currency. In 1875 the population in round numbers was 44,000,000. The ordinary expenses of the Government *per capita*, after deducting the expenses for which the republican party is not responsible and which cannot be diminished by any party in control of the Government, are \$1.70 in currency. Another illustration will show the falsity of the charge made by Governor Hendricks. In 1870 the population was 38,000,000. The taxes at \$18 *per capita* would amount to \$684,000,000. The amount actually collected that year was only \$411,255,477.21. In 1875 they were reduced to \$288,000,051.10, or considerably less than one-half the amount stated by the democratic vice-presidential candidate.

The democratic presidential candidate is equally unfortunate in his attempt to deceive and mislead the people. In his letter of acceptance he says:

The present depression in all the business and industries of the people, which is depriving labor of its employment and carrying want into so many homes, has

The public credit had meantime sunk so low that a loan of \$25,000,000 was negotiated at a discount of about 15 per cent. below par. Nothing need be added to this naked outline to make the picture of the profligacy, corruption, and treason of the democracy of that day appear in all its naked deformity.

In his letter of acceptance the democratic candidate for Vice-President makes the following charge:

The burdens of the people must also be lightened by a great change in our system of public expense. The profligate expenditure which increased taxation from \$5 *per capita* in 1860 to \$18 in 1870 tells its own story of our need of fiscal reform.

The burdens of the people are undoubtedly great, and they ought to be lightened to the utmost by every possible fiscal reform. The republican party has done this in a most remarkable degree, as I shall presently show. The burdens of taxation spoken of by Mr. Hendricks must be national, as he is speaking of the reform to be accomplished in this particular by a national democratic success. Let us recur to official data and see how nearly he speaks the truth. I have before me a recent statement, carefully prepared by the Treasury Department, exhibiting the comparative ordinary expenses of the Government for the years 1860 and 1875. I incorporate the material portions of this statement in my remarks, as follows:

its principal cause in excessive governmental consumption. Under the illusions of a specious prosperity, engendered by the false policies of the Federal Government, a waste of capital has been going on ever since the peace of 1865, which could only end in universal disaster. The Federal taxes of the last eleven years reach the gigantic sum of \$4,500,000,000.

The purpose of this reference is to show the people that all this vast sum has been consumed in carrying on the ordinary functions of the Government.

A report furnished me on request by the Secretary of the Treasury, which I have in my hand, shows that the expenses of the last eleven years ending with June 30, 1876, were as follows:

For the fiscal year ending June 30—	
1866.....	\$520,809,416 99
1867.....	357,542,675 16
1868.....	377,340,284 86
1869.....	322,865,277 80
1870.....	309,653,560 75
1871.....	292,177,188 25
1872.....	277,517,962 67
1873.....	290,345,245 33
1874.....	287,133,873 17
1875.....	274,623,392 84
1876.....	252,459,797 33

Making total amount of expenditures in the last eleven years... 3,568,468,675 15

Mr. Tilden, it will be seen, comes within about one thousand millions of having his figures correct. If he had embraced the last twelve years in his statement, it would have been *substantially* correct as to amount. But to have been entirely accurate he ought to have stated that the sum of \$1,031,000,000 was paid out during the fiscal year 1865 to the Army and for the expenses of the last year of the rebellion. Can he never cease upbraiding the republican party for the thousands of millions spent in putting down the rebellion? Would he have had the republican party in 1865 repudiate the more than one thousand millions then due to the gallant defenders of the Republic against a rebellion whose life was prolonged into 1865 by his Chicago peace platform, which declared "the experiment of war a



failure?" During the eleven years ending with June 30, 1876, there have been paid out on two single accounts the following amounts:

*Interest on the public debt.*

For the fiscal year ending June 30—	
1866	\$133,067,741 69
1867	143,781,591 91
1868	140,424,045 71
1869	130,694,242 80
1870	129,215,498 00
1871	125,576,565 93
1872	117,357,839 72
1873	104,750,688 44
1874	107,119,815 21
1875	103,093,544 57
1876	100,243,271 23

Total interest paid on public debt in the last eleven years.. 1,335,144,845 21

*The amount paid for pensions.*

For the fiscal year ending June 30—	
1866	\$15,605,332 35
1867	20,936,551 72
1868	23,782,356 78
1869	28,476,621 78
1870	28,340,202 17
1871	31,443,694 88
1872	28,533,402 76
1873	22,359,426 86
1874	29,038,414 66
1875	29,465,216 22
1876	28,257,395 09

Total amount of pensions paid in the last eleven years..... 296,229,865 96

These two items amount to \$1,631,374,711.17. To this must be added war, cotton, and southern claims paid in the last eleven years, at least \$250,000,000. This amount of disbursements was made during this period and is directly referable to the rebellion. To all this must be added \$622,154,730.59 paid on the public debt up to June 30, 1876. Since then \$1,300,000 more has been paid. So that instead of four thousand five hundred millions having been consumed in carrying on the ordinary functions of the Government the sum is less rather than over one thousand million dollars for the whole period of eleven years. The true amount is very nearly \$900,000,000. Considering the population, the unsettled condition of the eleven lately seceded States, the necessarily large increase of the public service from the growth of the country and the reconstruction of the South, and the increased pay of our soldiers and sailors, the consumption of taxes for the ordinary expenses of the Government has been certainly less in proportion to the wealth and population than it was under the last democratic administration. The obvious purpose of such grossly partisan misstatements by the democratic presidential and vice-presidential candidates is to impose on the ignorant or unwary, a course which can find its only apology in the desperation of a bad cause.

One more fact in this connection ought to be stated. It will present republican reform in the large and steady reduction of internal-revenue taxes and customs dues since the close of the rebellion in a manner gratifying to every well-wisher of his country. The estimates which I use will be found in the finance report of 1872. On recent application at the Treasury Department, I have received confirmation of their accuracy. These estimates are therefore reliable as well as official, having undergone a double scrutiny.

The reduction of taxation since the close of the war has been as follows:

<i>In internal revenue.</i>	
By the act of July 13, 1866	\$65,000,000
By the act of March 2, 1867	40,000,000
By the act of February 3, 1868	23,000,000
By the act of March 31, 1868, and July 20, 1868	45,000,000
By the act of July 14, 1870	55,000,000
By the act of June 6, 1872	20,651,000
Making total reduction of internal-revenue taxes	248,651,000
<i>In customs dues.</i>	
By the act of July 14, 1870	\$29,526,410
By the acts of May 1 and June 6, 1872	31,172,761
Making total reduction in customs dues	60,699,171

The total reduction under these several acts is \$309,350,171. The average annual reduction since the war and down to 1875, when the democracy came into absolute control of the House, is \$30,935,017.10.

The Constitution invests the House of Representatives with the sole power of originating tax and revenue bills. Hence the democratic party is alone responsible for having allowed a session of nearly nine months to pass without any effective effort to reduce taxation. Revenue reform wisely directed is always needed. The democracy in 1874 pledged themselves to the country to reduce taxation more rapidly and largely than has been done by the republican party. Had the republican party remained in control of the House it would have made large reductions this year, as it has done in years past. This solemn pledge of revenue reform made by the democratic party was only made to be broken. To leave taxation unchanged, and simply cut down appropriations and cripple the Government can bring no relief to prostrate industries. It will simply drain the money from the people and, instead of spending it in carrying on the Government, needless millions will be hoarded in the Treasury and withdrawn from

circulation. It will produce financial stringency and distress instead of affording needed relief.

Two propositions have been presented by the democracy to the House. One bill proposes to lay a tax on tea and coffee, which should produce a revenue of say \$30,000,000 per annum, to be largely drawn from the laborers of the country. The other bill looked to cutting down, in the interest of the rich, the duties on many articles of luxury of foreign production. These facts exhibit the hollow pretense of the democratic party so far as relates to revenue reform.

The fair inference from Mr. Tilden's letter of acceptance and the known and uniform practice of the democratic party is that the only reform in the civil service will be to turn out honest, experienced, and capable men and women, largely Union soldiers and their widows and orphans, and replace them by a hungry and rapacious horde of democrats largely made up of ex-confederates.

It is claimed, however, that the bloody struggle of the rebellion and their having been kept out of the control of the National Government for the past sixteen years have purged the democratic party of its profligacy and corruption. When or how this miracle has been wrought we are left painfully in ignorance. They assert that such is the fact without proof and boldly demand that the people shall accept their assertion. Let them first do "works meet for repentance." If we beg leave to doubt their conversion and call upon them for proof, we shall only follow the maxims of wisdom and the dictates of experience. Wherever the democratic party has had control since 1860, whether in State or municipal government, it has proved that it has not lost any of its old habits of profligacy and corruption. Its administration of the finances in State, county, and municipal affairs has always and everywhere been characterized by false pretenses of retrenchment and economy. In point of fact it has almost always been extravagant, frequently corrupt, and often criminal. Inasmuch as the democratic candidate for President is a citizen of New York City and has been for nearly a quarter of a century a leading and influential politician in close and intimate personal and political relations with the democratic rulers of that city, we can fairly look to its financial management as a type of the reform which we may expect if the democrats are successful in gaining control of the National Government.

In 1830 the public debt of the city of New York amounted to the sum in round numbers of \$900,000, at which figure it stood with small fluctuations until 1836, when it was increased to \$1,282,103.58. In the next year it was nearly doubled, and so again the following year; so that in 1839 the debt had reached the sum of \$7,126,790. This was still further increased, so that it amounted to \$13,316,292.86 in 1842. At this figure it stood about stationary for the next ten years. During the ten years from 1852 to 1862 it was increased to the sum of \$21,635,506.83. Then followed six years of moderate democratic extravagance, increasing the debt by some \$14,000,000, so that in 1868 the debt amounted to \$35,983,647. It was about this period that the high political morals and the reform and economic virtues of Tilden, Tweed, Morrissey, Kelly and other eminent reformers of the Tammany school were most potential in governing that city. In one year the debt sprang up from \$35,983,747 in 1868 to \$47,691,840 in 1869. In 1870 it had swollen to \$73,373,752. In 1871 it amounted to \$88,369,386. In 1872 it amounted to \$95,582,153. In 1873 it was increased to \$106,363,471. In 1874, the last year for which I have the official figures, the debt amounted to the enormous sum of \$114,979,970. Thus in nine years under a purely democratic administration the debt of this city had grown from \$35,983,647 to \$114,979,970, being the gigantic sum of \$78,996,323. Before this debt all the debts created under so-called carpet-bag governments in all the lately seceded States sink into insignificance. The debt fastened on that city by the democratic party in nine years exceeds the whole debt contracted in all the States lately in rebellion since the close of the war. The tax per capita in New York was in—

1830	\$2 51
1840	4 33
1850	6 27
1860	11 99
1870	25 11
1874	32 31

The debt per capita was in 1830 \$3.82; in 1874 \$114.98.

A debt of \$115 in round numbers for each man, woman, and child is the legacy of democratic administration in that great city. The people of this country will hardly feel like saying to Tilden and his Tammany democratic friends, "Inasmuch as ye have been faithful over a few things, we will make you ruler over many."

There is one other mode in which the respective claims of the republican and democratic parties to honesty and efficiency in the administration of public affairs may be tested. And I wish to say in passing that the republican party is not ashamed of its record, however much it may blush for the weakness and criminality of some of its members. It does not ask that its past shall be blotted from the page of history and the memory of men. As the majestic sun in our planetary system gives light and heat and life to the teeming millions of the earth, so the republican party has given liberty to a race, saved republican institutions from perishing from among men, and has given fresh hope and heart to struggling humanity everywhere. As there are spots on the disk of the sun, so, as our party is composed of fallible men, there have been errors and shortcomings, and doubt-

less some bad and corrupt men have found their way into public place. But take the history of the republican party for the last sixteen years as a whole, and when the future historian shall chronicle the achievements of the first century of the Republic the loftiest niche on that historic page will be filled with the deeds wrought by that great and patriotic party. Loyal, honest, and faithful in the past, it is the safest guardian for the future of the blood-bought results of the war.

I cannot give place here for the full statement issued by the Secretary of the Treasury June 19, 1876, showing the amount of defalcations and the ratio of losses per \$1,000 to the aggregate received and disbursed, arranged in periods of four years each. I have the detailed statement in my hand, and I read only the gross amounts. First I read the amount of losses and defalcations in the collection of the revenues of the Government from all sources.

This table tells its own tale. From a loss and defalcation of \$10.17 on each \$1,000 of receipts during the last term of Andrew Jackson's administration, the losses and defalcations during the last term of President Grant's administration have reached the unexampled figure of 22 cents on each \$1,000 of receipts. While I freely admit that

there are serious defects in the civil service of the republican party, its improvement on democratic civil service is great and unparalleled.

Period.	Receipts.	Losses.	Loss on \$1,000.
January 1, 1834, to December 31, 1837 ..	\$135,995,960 92	\$1,383,825 41	\$10 17
January 1, 1838, to December 31, 1841 ..	129,948,548 91	392,328 34	3 01
January 1, 1842, to June 30, 1845 .....	116,736,004 87	429,951 39	3 68
July 1, 1845, to June 30, 1849 .....	201,837,508 45	18,109 98	0 08
July 1, 1849, to June 30, 1853 .....	211,908,612 91	276,270 58	1 30
July 1, 1853, to June 30, 1857 .....	228,179,829 56	913,001 78	75
July 1, 1857, to June 30, 1861 .....	312,329,679 50	194,003 83	62
July 1, 1861, to June 30, 1865 .....	4,670,460,137 61	508,493 60	10
July 1, 1865, to June 30, 1869 .....	4,042,316,438 46	2,502,721 90	63
July 1, 1869, to June 30, 1873 .....	2,576,645,585 22	954,698 68	37
July 1, 1873, to June 30, 1875 .....	1,430,222,898 62	322,183 92	22
Total .....	14,100,631,205 09	7,255,619 41	51

I now read the gross totals of losses and defalcations in the disbursements of moneys from the Treasury.

Period.	Post-office.			Grand total, exclusive of post-office.		
	Disbursements.	Losses.	Loss on \$1,000.	Disbursements.	Losses.	Loss on \$1,000.
January 1, 1834, to December 31, 1837 .....	\$11,697,884 18	\$13,696 51	\$1 17	\$110,308,325 19	\$1,163,786 01	\$10 55
January 1, 1838, to December 31, 1841 .....	18,284,961 77	51,809 66	2 83	137,094,434 54	2,690,653 84	21 15
January 1, 1842, to June 30, 1845 .....	18,666,750 20	2,679 46	14	109,187,401 24	1,134,242 40	10 37
July 1, 1845, to June 30, 1849 .....	16,861,478 41	2,571 24	15	205,194,700 57	1,712,169 82	8 34
July 1, 1849, to June 30, 1853 .....	36,582,570 74	52,946 20	1 99	194,370,493 14	1,485,192 68	7 64
July 1, 1853, to June 30, 1857 .....	40,439,110 70	280,128 05	6 92	285,638,875 65	1,674,852 64	5 86
July 1, 1857, to June 30, 1861 .....	50,957,922 74	172,278 46	3 02	328,183,298 39	2,892,825 52	6 98
July 1, 1861, to June 30, 1865 .....	48,729,065 45	93,467 63	1 91	4,667,457,921 22	6,599,622 91	1 41
July 1, 1865, to June 30, 1869 .....	81,016,286 91	167,236 74	2 06	3,891,576,259 10	1,889,641 17	48
July 1, 1869, to June 30, 1873 .....	104,132,079 69	117,797 60	1 13	2,601,158,569 90	1,046,202 48	40
July 1, 1873, to June 30, 1875 .....	63,737,724 03	34,970 63	53	1,406,699,819 31	370,338 81	26
Total .....	429,155,854 82	989,582 38	2 02	13,936,870,072 05	22,296,928 28	1 59

These tables show that the officers to whom are intrusted the vast financial interests of the country are possessed of a greater average honesty and skill than any who have been in that service before them. The average losses and defalcations in disbursements on each \$1,000 are almost fifty times less than in Jackson's day. In honesty and efficiency this branch of the service which takes charge of the people's money never stood one-twentieth part as high under any democratic administration since 1834 as it does to-day. And yet with a record showing their frauds and corruptions during twenty-six years to have been more than twenty times as great on the average as that of the republican party, with an assurance absolutely amazing, they ask to be put into possession of the Government.

But, Mr. Speaker, it is not my purpose to spend further time in placing the democratic record of the past alongside of the republican record. I wish to bring before the House and the country some facts of more recent occurrence; facts which may well give pause to thoughtful men and impel them to ask, Whither are we tending? These facts are like the little storm-cloud when it first appears upon the sky giving evidence of the coming storm. They show the tendency and purpose at least of the great controlling wing of the democratic party, the southern wing, which gives vitality and power to the national democracy, and which will control, in the future as in the past, that party and its policies. I allude, sir, to the enormous raids that are to be made on the Treasury in the interest of the South. It was to have been expected that with an adverse Senate and Executive and with an impending presidential election the southern democracy would have been prudent enough to have concealed their real purposes. Such, however, is not the fact. The full measure of their demands upon the overburdened tax-payers of the North stands clearly revealed in the bills which southern democrats have introduced and have pending to-day in this Chamber, which are to sleep until they gain control of the Government. When that occurs they will demand their passage. With a solid South they only need forty northern democratic votes to control this House. Who doubts that if the democrats carry the country forty men, like Ephraim, baked only on one side, will be found to aid them.

Let me, Mr. Speaker, call attention to these bills, not in the order of their introduction, but rather with reference to the matter to which they relate.

#### THE DIRECT-TAX JOB.

The first bill to which I call attention is House bill No. 3145, entitled "A bill to refund certain direct taxes on land collected from citizens in the late insurrectionary States under the act of August 5, 1861." The act of 1861 levied a direct tax of twenty millions and apportioned it, as provided by the Constitution, among the several States according to population. All the States except those in rebellion assumed their quotas and paid them excepting some small balances. The amount apportioned to the eleven insurrectionary States was \$5,153,896. When the war closed the collection of this tax in the South

began and continued until July, 1866, when Congress passed an act suspending further collection until January 1, 1869. No effort has been made to collect any of this tax since 1866. The amount uncollected is \$2,661,776. Not satisfied to be relieved from the payment of this large debt, the South now demands that the Government shall refund the sum of \$2,492,110. The reason alleged in the bill is that said taxes "were taken from a people greatly impoverished by the war and wholly unable to pay the same, and that the burden of taxation may be made equal and that all the people alike in said States may be equally relieved by the act of suspension."

Nearly fifteen millions of this direct tax were drawn from the tolling people of the North. The exigency which made this tax necessary involved the loyal North in a debt of nearly two thousand six hundred millions of dollars, the loss of three hundred thousand precious lives, and five hundred thousand more shattered and broken by wounds and disease. Who will equalize their burdens, repay their taxes, make good the losses of life and health and property? Cannot some southern democrat devise some system more equitable and just in its operations than to lay all the losses of the South on the patient back of the North?

#### THE COTTON-TAX JOB.

Under the provisions of the internal-revenue law there was levied and collected during the years 1863, 1864, 1865, 1866, 1867, and 1868 a tax on raw cotton amounting to the sum of \$68,072,388.79. For several years there has been a determined combination to secure the refunding of this tax. The southern democracy is determined to get the amount refunded to their people. A democrat from Georgia introduced a bill (H. R. No. 232) which proposes to "refund the tax to the parties who actually produced the cotton." It is, however, a gigantic job of lobbyists and speculators who have got control at mere nominal figures of nearly the whole of this immense claim. The amount involved makes this a most popular scheme for the lobby ring, and if the democrats carry the election this year the northern laborers may prepare their shoulders for this new burden. The plan proposed by the bill is to issue bonds of the United States in sums of one hundred, five hundred, and one thousand dollars, payable at the Treasury of the United States to bearer at the end of thirty years from date, in gold, bearing interest at the rate of 5 per cent. per annum payable semi-annually in gold. The annual interest on this sum would be \$3,403,619. In thirty years the amount of interest paid would be \$102,108,570; thus making the entire amount, principal and interest, to be taken from the tax-payers \$170,180,958. Four-fifths of this vast scheme of plunder would fall upon the laborers of the North.

#### CLAIMS FOR USE AND OCCUPATION OF PROPERTY.

There are two other schemes pending before the House and awaiting a democratic victory to carry them to success whose gigantic proportions appall the mind with their vastness. These schemes are



brought forward with the settled purpose on the part of the southern democracy to carry them at the earliest moment. The first of these two bills to which I refer is House bill No. 2364, "directing compensation to be allowed for the use and occupation of property by the United States during the late war." It authorizes the Secretary of War "to allow reasonable compensation to all citizens of the United States for the use and occupation of their property by the United States Army, or any part thereof, during the late civil war." It provides "that the affidavit of the claimant, supported by the competent testimony of any reputable citizen, shall be sufficient proof to establish the fact of the use and occupation of such property by said Army."

It will be observed that the act is not confined to loyal citizens, but it in express terms embraces all citizens, whether loyal or disloyal. It gives every man, woman, and child who owned any property which was used or occupied by the Army during the war a claim on the Treasury for the reasonable value of such use and occupation. The whole South was used and occupied by our armies for four years, and now it is proposed to compel the loyal men of the North, who spent more than five thousand millions in treasure and three hundred thousand lives to crush out the rebellion, to pay more than a thousand million dollars in addition for having dared to use and occupy the South while fighting to preserve the Union! There is no constitutional amendment forbidding the payment of such claims. They now confront us here in this Chamber; and if the democratic party succeed, the patient laborers of the North must bow their backs while their southern masters lay on this load.

The symmetry of this scheme of democratic plunder would not be complete without another bill to cover personal property. It is not wanting. An Arkansas member introduced a bill (H. R. No. 553) "to facilitate the adjustment and settlement of claims of citizens of the United States for stores and supplies taken or furnished during the rebellion for the Army of the United States, and for other purposes." This bill provides that—

All citizens of the United States having claims against the United States for stores or supplies taken or furnished during the rebellion for the use of the Army of the United States, including the use and loss of vessels or boats while employed in the service of the United States, may institute suit against the United States for the adjustment and recovery of such claims, &c.

This bill, like the preceding one, is intended for the sole benefit of those who were engaged in the wicked attempt to destroy the life of the nation. The vastness of the scheme contemplated by these two bills almost passes belief.

We have, Mr. Speaker, a basis which will enable us to approximate with some degree of accuracy their amount. An act was passed shortly after the close of the war creating the court of southern claims commission, and giving it jurisdiction to receive and adjudicate claims for property taken, occupied, or destroyed by our armies where the claimant would swear to his constant loyalty during the rebellion. A reasonable estimate of the number and amount of the claims under the two bills I am discussing may be formed by taking the number and amount of southern claims filed by claimants who have sworn to their loyalty. The number of such claims is 22,298. The total amount of such claims now filed is \$50,253,150.

It is safe to say that the claims of disloyal claimants will average as much in amount as those of loyal claimants. I think the disloyal people of the South embraced the great body of the wealthy and educated, so that their claims would be likely to average more rather than less than those filed by southern loyalists. But let us put their average at the same amount. It is also safe to say that there were fifty times as many disloyal as there were loyal men who suffered loss by the war of the rebellion. On this basis, and I submit that it is a reasonable one, the amount of these two schemes of plunder will reach the enormous sum of \$3,012,907,500! Can you trust the southern democracy and their northern allies to keep this fearful burden from your shoulders? In war they were united in heart; in peace they are not divided.

There are one hundred and forty-two other bills seeking relief for the South whose amount only reaches a few millions of dollars. These are too petty in the face of these grander schemes of plunder to demand more extended comment. Let us recapitulate these greater schemes which I have mentioned:

The direct-tax job .....	\$3,492,110
The cotton-tax job .....	68,072,388
The war-loss job .....	3,012,907,500
Total amount of jobs .....	\$3,683,471,998

With such vast schemes of plunder to call them together, the army of lobbyists, rings, and political sharpers who will infest the capital under democratic rule will be thicker than the lice and more voracious than the locusts of Egypt. This is only one of the phases of public plunder under the sounding name of reform to which the present corrupt and profligate democracy invite the country. To that great and patriotic party which saved the national life, enfranchised a race, restored national honor and financial credit alone can the people of the country to-day look for that genuine reform and wise, patriotic, and loyal government which shall add new and enduring luster to the glories of the past.

## Reciprocity with Canada.

### SPEECH OF HON. HENRY L. PIERCE, OF MASSACHUSETTS, IN THE HOUSE OF REPRESENTATIVES,

August 9, 1876,

On the question of reciprocity with Canada.

Mr. PIERCE. Mr. Speaker, the recommendation made by the minority of the Committee on Commerce does not call for an elaborate discussion of this question. We simply ask for the appointment of a commission to investigate and ascertain on what basis a treaty of reciprocal trade for the mutual benefit of the people of the United States and the Dominion of Canada can be negotiated, and to report the result to the President of the United States. There is nothing in this proposition which in any way commits the Government beyond a mere examination and a report of the facts; and in view of the opinions expressed upon this question by the principal merchants and manufacturers throughout the country, I cannot believe that the House will refuse its assent. If it should be found impossible to devise a scheme which will inure to our benefit then we shall be justified in declining to enter into negotiations; but until that is shown those who represent the business interests of the country will never be satisfied with the present condition of things.

I cannot conceive of any serious opposition to this measure except from those who have special or personal interests to protect, which, in their opinion, would be injuriously affected by any reciprocal trade relations, and who, therefore, are not willing even that the subject should be considered, for fear that a good case may be made out in favor of reciprocity.

To show the views upon this question of the most enterprising and public-spirited business men I cannot do better than refer briefly to the proceedings of the national board of trade, which is composed of delegates from the trade and commercial organizations in all of our principal cities—from Portland to San Francisco, from New Orleans to Milwaukee.

At the meeting in New York in 1872 a committee, which had been appointed at the annual meeting in the previous year to confer with a deputation from the dominion board of trade in regard to reciprocal trade relations with Canada, recommended the adoption of a resolution instructing the executive council "to memorialize Congress to make an appropriation for the appointment of a commission to act in conjunction with the State Department in negotiating a treaty with Great Britain for reciprocal trade with the Dominion of Canada on a broad, comprehensive, and liberal basis, which shall also include the enlargement of the Canadian canals by the government of Canada and the right of American vessels to navigate said canals under the same conditions as are imposed upon Canadian vessels."

The subject was discussed very fully and intelligently, and the resolution was adopted without a dissenting voice. Some who took part in the debate were strong protective-tariff men; others were in favor of free trade, but they were all united in support of a proposition for reciprocal trade with Canada.

Mr. Taylor, of Cincinnati, who reported the resolution, said:

The old treaty was confined to the free interchange of the products of the soil, the forest, the ocean, and the mine. Our Canadian friends say that they think their government would be prepared to admit a variety of American manufactures, perhaps not the finest textile fabrics, but some of the coarser manufactures, and that the treaty would have a much wider scope than the one which prevailed for ten or eleven years and which was advantageous to both countries. In addition to this trade which they offer us and this opportunity to sell certain of our manufactures to 4,000,000 people, they are ready to enlarge their canals and to give the use of them to American vessels on the same terms as those imposed upon Canadian vessels. Now I do not believe, as some persons seem to do here, that cheap transportation is the chief end of man, but I do believe that it is a matter of very great importance, and if you can lessen the cost of transporting a bushel of wheat from the Northwest to the seaboard, you put just so much more money in the farmer's pocket, and when the producers—because all wealth comes out of the soil—are amply remunerated then the country must prosper.

Mr. McCrea, of Chicago, said:

While I believe in protecting our young and struggling industries until such time as they can compete with the industries of older countries, I believe it is time now that Canadian lumber should come into American territory free of duty. Our lumber forests are dwindling very fast; they are disappearing year by year. Go to the prairies and see who buys the lumber; see the farmer who brings in a load of corn sell it for about \$2, when the same weight of the most common lumber he can buy will cost him from twenty to twenty-five dollars. On those prairies there is no lumber enough on a thousand acres to make a whip-stock, and everything which shelters the farmer or his flocks has to be brought from Canada, and is made to pay a duty, or a bonus must be paid to our home manufacturers.

Mr. Wetherill, of Philadelphia, said:

I am certainly in favor of reciprocal trade. It is purely a question of self-interest, and that after all is the governing motive of all business men in practical business operations. We want something of Canada and Canada wants something of us. There are disadvantages on the one side and disadvantages on the other side. This board has not the time to go into the details of the work, and we want a commission sharp enough, and careful enough, and prudent enough to take care of the interests of the United States.

I might quote at much greater length from the remarks of delegates from other sections of the country, but what I have given is sufficient to show the spirit in which the subject was then discussed.

In 1874, as is well known, the draught of a new treaty was submitted by the Executive to the Senate for ratification; but the subject had not been properly investigated by a commission, as we now propose that it shall be, and consequently there were some details not satisfactory either to our own people or to the Canadians. It was rejected; and public opinion sustained the Senate in its rejection.

At the last annual meeting of the national board, held in Philadelphia in June, 1875, the following resolution submitted by the Board of Trade of Chicago was discussed and unanimously adopted:

*Resolved, That Congress be memorialized and urged to authorize the early appointment by the President of the United States of a commission of not less than five merchants and business men, familiar with the subject, to confer on the part of the United States, with a like commission on the part of the Dominion of Canada, on the subject of a treaty for reciprocal trade and commercial relations between the United States and the Dominion of Canada; said joint commission to be authorized on the part of their respective governments to suggest and recommend the details of provisions for such treaty, subject to the concurrence of the respective Governments of the United States, the Dominion of Canada, and of Great Britain.*

Speaking to the resolution, Mr. McCrea, of Chicago, said:

There are many advantages which might be derived from such a treaty, and there are no substantial benefits which would be lost. New England, probably, would secure the right to the Canadian fisheries and cheap coal from Nova Scotia. The West and the Northwest would secure increased transportation facilities, and what is more to us at present, access to those vast forests of pine and hard wood that lie on the north and east shores of Lake Huron, which we so much need at the present time in the settlement of our prairies and the reduction of the area of Lake Superior and other mining regions. These would be but a few of the substantial results that must come from a treaty of that kind, and being committed to such hands as is contemplated by this resolution, will commend itself to the good judgment and honest purpose of the people of both continents.

This subject has also been discussed very fully at the annual meetings of the Dominion board of trade; and in looking over the reports of those discussions I have been impressed with the spirit of fairness and liberality which characterized the views of the leading merchants in that province. At the meeting in Ottawa, on the 21st of January last, the board adopted a motion—

That it is very desirable that a treaty of reciprocity with the United States on a comprehensive, liberal, and fair basis should be obtained, and that in the opinion of the board the initiatory steps thereto ought to come from the United States, as it was by their action that the old treaty was abrogated.

It is true, Mr. Speaker, that under the circumstances the initiative in this matter devolves upon us; and I trust that to the extent here proposed it will be taken.

Free Schools—Are they in Danger? If so, from what Sources?

## SPEECH OF HON. HENRY W. BLAIR, OF NEW HAMPSHIRE,

IN THE HOUSE OF REPRESENTATIVES,

July 29, 1876.

The House having under consideration the bill (H. R. No. 748) introduced by Hon. GILBERT C. WALKER, of Virginia, to apply the proceeds of public lands to the education of the people—

Mr. BLAIR said:

Mr. SPEAKER: This bill, lacking some useful safeguards, is substantially a measure prepared by Hon. GEORGE F. HOAR and passed by the House of Representatives of the Forty-second Congress on the 8th day of February, 1873, by a nearly solid republican majority, against the bitter and almost unanimous opposition of the democratic members of the House. The customary arguments employed by that party against the power of the nation, as such, to assert its sovereignty and its right to live and to be and to exercise the necessary functions of growth and self-defense whenever the interests of the nation in their massiveness and grandeur seem as a mighty whole to preponderate over the authority and supremacy of its subdivisions, known as the States, were urged with great vehemence to defeat this most emphatically beneficent measure and to protect the consolidated ignorance and prejudice of the country, which are the basic elements of the falsely styled democratic party of our times, in their secure position as the enemies of popular education and the destroyers of free schools.

In this Congress an honorable democratic carpet-bagger, now from Virginia, has had the temerity, and I may be allowed to add, if he will consent to receive the homage of an humble member from his own native North, the intelligent and manly and patriotic independence to introduce and, with the co-operation of his republican associates upon the committee, to advocate upon the floor of this House the cause of the common school. It is a hopeful sign; yet the gentleman well knows that he is identified, in political action, with that great party which, in the section of our country to which he has transported the elevated and inextinguishable impulses of the early home of the town meeting and of the common school, has from time whereof the memory of man runneth not to the contrary, acquired and maintained its power by suppressing freedom of speech and of the press, and by prohibiting under penalties, proscription, mob violence, and death the education and consequent general diffusion of intelligence, happiness, prosperity, and power among the whole people of the land.

But, sir, I welcome the fact that even a democratic carpet-bagger (note that he *was* a carpet-bagger, however—the South is under great obligations to carpet-baggers) has dared to make his record in favor of free schools, and the enactment of a law which will have some tendency to promote their prosperity, (although as the bill gives, and I am glad of it, most of the proceeds of the lands to the South,) there is method in this idiosyncrasy, as a most hopeful omen, and ardently pray for the day when the native and ruling public men of the South, whose desperate warfare upon this primal institution of the Republic, during all the vicissitudes of the century, has been her chief curse, shall recognize the great truth that liberty is born only in the manglers of God's poor, cradled in the common school, and made mighty and perpetual by the exercise of a suffrage unrestricted by color, race, and condition in life, and universal as the impress of His image who hath made of one blood all the nations of the earth. And although the passage of this bill can cost the southern leaders no sacrifice of principle or policy, and therefore involves them in no embarrassment in waging their home warfare upon schools, yet I shall be heartily glad if the hope of political capital, or any other motive shall compel the passage of this bill at the present session.

I am one of those who have no faith, no hope in the future of this country only so long and so far as the people are both intelligent and upright; nor is it possible to preserve the honesty and simple virtues of republicanism without the means of early mental discipline are provided for all; and if necessary their use must be made compulsory by the successive generations, during the tender and impressive years of childhood and youth. Honesty and sincerity are consistent with the most dangerous prejudices and the most cruel and nefarious purposes, in public and private life. No man is fit to be a sovereign—as sovereigns we all are in theory—unless he has the power to think continuously and to reason consecutively, and is able to acquire and has acquired the common knowledge which surrounds him pertaining to economic and political affairs. If his powers are disciplined, and he knows the facts he will reason from correct premises, and his moral sense or conscience will obey the dictates of reason. And thus a sound morality must and will exist as the offspring and inseparable consequence and companion of intelligence and disciplined mental powers. This is primary truth so universally conceded that I shall be accused of wasting time in its statement. Yet I believe that wise statesmanship often recurs to general principles, and that there is no better reading for a legislator, and for the people themselves, who are the primary law-givers of the land, than the eloquent and elevated sentiments of the fathers, as they are embodied in the grand though simple bills of rights and earlier constitutions and declarations, which have come down to us from the resplendent luminaries who live eternal in the horizon of our history.

Our system of government is based upon the necessary position that knowledge is power. Government itself is only another name for power; it is the *supreme power* in the State. That power which controls nations must be either brute power or intelligent power. We are compelled to choose between these forms, or rather principles of control. We have learned through the sad records of six thousand years of almost universal tyranny and misery, that no free government is long perpetuated, unless its force is distributed among all individuals, or unless their essential rights are preserved and protected in constitutions or customs, which constitute iron restrictions upon the encroachments of the executive power of the State. We have learned that the tyranny of a mob or of an ignorant multitude is far worse than all the possible excesses of a single despot. We are thus driven to the absolute necessity of making the controlling element of our Government universal intelligence and morality which results from it, or of ultimately yielding up our system of universal suffrage—that is, the distribution of sovereignty to all—and the adoption of the despotic theory of government. I do not mean that there is not more or less of freedom and security to the rights of men in forms of government where the ballot is either unknown or is rarely exercised by the people.

Arbitrary power is oftentimes partially dethroned and placed in subjection to some great, broad limitation, in accordance with which alone will the people consent that the reigning power exist at all. Such was the grand achievement which wrenched the great charter from the unwilling hands of King John at Runnymede, and other similar victories of popular over regal authority, which are embodied and are perpetually active in the constitution of England, and other limited monarchies of the world. But what I mean is this, that our system, being based upon the universal distribution of the sovereignty among all the individual men of the nation, and that power once distributed necessarily remaining so, until revolution collects it again and vests sovereignty in an aristocracy or in a single despot, *each man* must be qualified by disciplined reason, virtue, and knowledge for the correct exercise of the power which is vested in him, or he is unfit to possess it; and it must logically follow either that he and such as he must surrender it or that by the gradual spread of ignorance and incompetency to govern universal sovereignty will surrender to the control of the few who *do* possess that knowledge, which, directed for selfish and despotic ends, enables them to triumph and riot in the enslavement and miseries of mankind.

Sir, the one first indispensable thing is *the power to think*, and whatever people has that power, and most of it, will be most free. Virtue results from it, because virtue is the child of conscience, and a safe conscience must be instructed by intelligence. The common school,



then, is the basis of freedom, and the system is an absolute condition precedent, to the spread and perpetuity of republican institutions throughout the country and the world. Ignorance is slavery. No matter what are the existing forms of a government, ignorance will reduce them to the one form of despotism as surely as gravity will bring the stone to the earth and keep it there. Knowledge is liberty, and no matter what the forms of government, knowledge generally diffused will carry liberty, life, and power to all men, and establish universal freedom so long, and only so long, as the people are universally made capable of its exercise by universal intelligence. It is a fundamental error to think that freedom is simply the exercise of one's rights. Freedom is the power to exercise them. Freedom is *sovereignty*. It is not mere happiness; it is the power to command the conditions of happiness. The veriest tyrant might permit his slaves to possess more of the actual material comforts and fruits of life, than could be commanded by the free spirit of an unconquerable people; but it is only a universally intelligent people who can know its rights, and knowing dare to maintain them.

The centennial year of the Republic is a fitting time to examine our actual condition. The process is necessary. It is of an importance transcending all questions which relate to finance, and internal and foreign or party policy. It is an examination of the heart of the Republic, of the sources of its life.

Of what use is it to raise, discipline, and embattle armies, if the blood of the Republic itself is corrupted and she must ultimately fall, perhaps under the blows of her own military machinery, controlled by an ambitious and conquering usurper? Why vex the seas with our navies, gallant and invincible, if they are only to spread the fame of his power, where the ensign of the Republic once typified and vindicated the universal rights of man? Why burden a people with taxation, why extort revenues from prostrate industries to eke out the life of the institutions of America, if they are already struck with the palsy of increasing and remediless decay?

Questions of taxation and of the appropriation of revenues in the administration of the Government are highly important, and the people do well to examine closely the conduct of their servants, both as to the purposes for which their money is used and the fidelity of its expenditure. A pure and upright civil service, the contrivance and introduction of a system which shall by its power of selection of the best men for office, and by its stability as an institution of the country, resist and survive the assaults and fluctuations of party greed and aggrandizement, is a matter of great concern to the American people. Whatever relates to the financial interests of the Government and of the people imperatively challenges our attention.

The question of immigration from the Orient, over the Pacific, to the young Commonwealths of the West, and the indefinite increase and possible numerical supremacy of a people who may either absorb our domain without assimilation with our body-politic, or by their ignorance and vice debauch and degrade our countrymen and our institutions, is a mighty problem, looming upon us like a portentous cloud and demanding solution.

Shall our commercial relations with the countries north and south of us be enlarged, and shall the channels of internal transportation be multiplied and improved; shall our foreign policy be timid and retiring, like a bashful boy, or firm and just, and if necessary aggressive? All these and many other great questions press constantly upon us for that intelligent consideration which alone can result in right action; and the like of these are ordinarily the absorbing issues before the people. But such questions are all of secondary importance, and depend upon others, the answer to which is fundamental whenever and however they are raised.

This generation has solved one such fundamental question. The principle asserted itself, as a principle always will assert itself, that this country could not exist permanently "half free and half slave;" and the irrepressible conflict went on until negro slavery, the joint sinful creation of the North and of the South, was abolished in the tremendous struggle of arms and its crimes were expiated in the blood of a million of our precious sons.

But, sir, the principle involved in that contest was the same which we have already considered; shall freedom be universal, or in other words, shall the sovereignty be vested in all men who live under its flag? The ignorance of vast masses had made them weak. Cupidity and the love of ease and power had enslaved them, because they were weak. It will always be thus. It is human nature. But human nature, as it becomes intelligent, will know its rights; it will resist oppression, and as God is just, the avenger cometh.

I believe, sir, that we are approaching another crisis which involves the existence of the Republic. It is in itself capable, but not sure, of peaceful solution. I believe that now we are rapidly nearing the time when the American people will vote *directly* upon the question, Shall the common-school system, which is under God the source and defense of American liberty, continue to exist? I believe it to be the great underlying question which is involved in the pending presidential election. I do not refer to the sectarian aspect of the subject at all. This country may be only too thankful for any influence which will *educate*, by increasing the power to think and get knowledge, whether it comes from priest or infidel or saint. A blow struck at the unity, and independence, and complete, unsectarian impartiality of the public-school system, by any man or sect or party, is a blow at our freedom, but not necessarily fatal; and wherever there

is nothing better, in the name of liberty, let all those who will, build up any institutions, which make war upon ignorance and develop, however imperfectly, the souls of men.

I would gladly see the Constitution of the country, and of every State, so amended that the common school shall be forever cleansed and protected from all sectarian bias and influence, but I believe that we are now menaced by a more serious danger to our free schools than any which arises from the efforts of a religious sect, however threatening such efforts may be; and further, that all necessity for such an amendment to our Constitution, which I admit to be great, arises from the *alliance* of effort, between sectarianism and one of our great political parties. That party embodies and organizes all the elements of war upon our common-school system, and the spirit of sectarianism is only one of the influences which it absorbs. Sectarianism is the Hessian, but the real war is between the malign forces of arbitrary power and tendency, which are native to the democratic party as it is controlled to-day, and the spirit of universal liberty, as developed and fostered by the common school. I do not mean to be understood that the democratic party does not contain vast numbers of men who are as patriotic and intelligent, and as strong friends to universal education as any American citizen can or need to be, or that in many States and localities its action as a party is not friendly to the education of the people; but I do mean to say that everywhere it is behind its great opponent, the republican party, in its devotion to the interests of education, and that as a national party, compared with that opponent, and as now controlled, and sure to be controlled in the near, and probably in the remote future, it is the foe of the common school; that its triumph at the polls is the chief danger which now threatens American liberty; and that it is so, because its triumph is the temporary, if not permanent, victory of caste power, which will improve its renewed opportunity everywhere in the country, and especially in the South, which is still the great battle-ground of political ideas, to strengthen and perpetuate itself, in its only possible way, which is by maintaining and increasing the political weakness of the great body of the people, upon whose ignorance its own supremacy is impregably built. Is it not a matter of history that the democratic party has been the machine of slavery for at least a generation? In what other political party are now to be found the ever-living influences which degrade and enslave mankind? These influences have in the republican party their natural foe. Its birth was rebellion against them. Its career has been one stern battle, even unto blood, against the spirit and institutions of arbitrary power. That party is the only effectual champion of freedom in this country to-day. If defeated and deprived permanently of power, the days of the Republic are numbered.

Let us examine this matter more closely, for if these assertions are untrue they are terribly unjust. No other charge can be made against any party so serious and, if false, so calumnious as that it is the foe of liberty, or even that it is not her *best friend*. And here and now I denounce the charge, sometimes made against northern men, that in the examination of this subject any spirit but one of the most catholic good-will toward all individuals and sections of the country, consciously influences my head or my heart. I believe in the honesty, integrity, and patriotism, blinded though in many respects I think they be, of the representatives of southern sentiment upon this floor. I believe in the honesty and patriotism of all large masses of men. They always design to do right. There has been no great war, either of ideas, or of arms, or of both, in which the combatants participated by their own consent, unless each side believed itself to be right; and by their motives must all individuals be judged and rewarded or condemned. I believe that many an honest and chivalrous soul has laid down his life in the cause of oppression and outrage, to whom the infinite God of justice and love has extended the welcome, "Well done, thou good and faithful servant, enter thou into the joy of thy Lord." But no such toleration can be extended to wrong principles. Upon them the largest philanthropy and the broadest comprehensiveness of view will wage the most implacable war. Only the man who, watching through the retributions of history, has been taught the inflexible nature of the principles which God has made, but whose operation He never suspends nor turns aside, can fully separate the cause from its supporter and destroy the one while he preserves the other. It is in this spirit that I would consider my main proposition, namely: the national democratic party, as now controlled and likely to be in the near and probably in the remote future, is the enemy of the common-school system of America.

The first question, then, which arises is, how is the democratic party now controlled, and how is it likely to be controlled, in the near and probably in the remote future? To this question an answer is patent to every man who can call the roll of States. The great mass of the party, nearly its entire organized strength, as far as control of the Government is concerned, is now and must remain in the Southern States, and in that element of southern society which was the confederacy, and in which the tendencies, prejudices, and principles that created the confederacy, are still the vehement motive power. At the North the democratic power is subordinate. Whenever it carries an election it is not from its own strength, but through the weakness or crimes of its antagonists. Whenever public conscience is aroused by an appeal to the underlying principles which control the public judgment and sway the popular heart, the democratic party is as a reed shaken in the wind, and it falls prostrate

before the indignant wrath of a free and virtuous people, as did the Dagon Tweed, upon the dishonored threshold of Tammany Hall. Here and there is a great and justly honored name which remains in the organization to carry on the work of purification within the party; but with all their great powers and indefatigable efforts to make brick without straw, they are powerless to cure the deep-seated leprosy of the organization to which they belong, and from which the masses of the North are emancipated. But they carry occasionally a northern State; and with the South reclaimed by the agency of violence and fraud to its ancient allegiance and substantially a unit, these fifteen States do and will enable the democracy to renew its war upon the age in which we live and the liberties of mankind. What would this great party be without the South united upon the issues of the war? It could not live through one session of Congress nor survive another general election. And why is the South *united*? Why does she not divide upon industrial, economic, and local issues as do the Northern States? She has the same diversity of interests as they. The growing of cotton at the South, is no more an exclusive industry than that of grain at the West. New domestic policies are pressed upon her attention, and she has no reason for combination as a section but the promptings of the old spirit and affinities which produced the war. Tilden captures the convention and the nomination and the mass of the democratic electoral vote, if not its entirety, when he has received the endorsement of the ex-confederate power of the South.

What is there to the majority of this House of Representatives, if you exclude the leading spirits of the confederacy from the Capitol? They could not even adjourn. Who constitute the never-failing element of the democracy in the Senate? But it is idle to waste time in proving that the South is the backbone of the democratic party. Should these southern leaders, in good faith, accept the principles which conquered at Appomattox, what would be left of the democratic party? To ask this question is to answer it: nothing. It could not even die, with a respectable demonstration. If this is so, and if the democratic party must conquer, if at all, by the restoration of southern supremacy in this country, it becomes at once the vital question to the American people, whether that party is still controlled by the spirit of caste—that spirit which wars upon freedom from necessity, since one of them must die. Upon this point the evidence is overwhelming.

First, she sends the same men to the national councils who represented, and *because* they represented, and were in their own persons, the southern cause in the legislative hall, the cabinet, the forum, and the bloody field. Coke has just been elected to the Senate from Texas, because he was a violent foe to the Government and people of the United States, while Hancock, the pacific native southerner, his able and statesmanlike competitor, was defeated *because* he refused to swear allegiance to the confederacy, and rend the flag of his country. In public speech General Hancock claimed the election, because he was true to his country; and as a public reproof he was defeated by the sworn electors of Texas upon the very ground that neither in time of war nor in this time of false peace was nor is he the true representative of his people and State. The brilliant and philosophical Representative from Mississippi, [Mr. LAMAR,] elected as a true representative of ultra, though more politic, southern opinion, ventures in his place on this floor to denounce the crime of murder in appropriate terms, and although he tempers his disclaimer with countercharges against the North, yet *because* this Hamburg massacre was committed to promote southern success at the polls, and in pursuance of the policy, by and through which, power has been recovered in every southern State but one, judging from the tone of the Mississippi press, even LAMAR is already almost an alien in the house of his friends, and only the success of the republican party at the North can save to the country the possibilities of good which lie in this man, so misunderstood alike by political friend and foe. There is to-day from the late confederate army military ability enough in the House of Representatives of this country to give competent leadership to 500,000 men; and there are in the State of Mississippi alone 75,000 men who openly drill as in time of war in every county and almost every town all over the State, skilled soldiery armed with the latest pattern of the most deadly rifles of modern times, and officered by men who know war, and how to make it. Thus is the peace preserved and elections carried in Mississippi and in other States. Order reigns in Warsaw, and, except where electioneering murder is required to conquer another republican State, "they make a desert and call it peace."

We have no reason to wonder at these things; they are to be expected; yet they are none the less deplorable in their causes and consequences. Why should it not be so? Why will it not continue to be so, unless the strong arm of power, wielded by the gigantic force of the public opinion of the country, and voiced in the next election, prevents? The nature of southern society cannot be broken up in four years' war. It is not in human nature to change so suddenly. The constitution of the soul does not thus readily yield. The men who are what they are, because nature and circumstances have made them such, cannot be thus easily reconstructed even if they would. It is impossible. I had almost said it is *unnatural* that their hearts should suddenly gush with tenderness toward the men and influences which have, in the hands of God, destroyed their power and crushed their half-barbaric form of civilization. I tell you that those hearts

do not *gush* any. It is folly for the northern mind to befool itself with the hope that this generation, or their children, and it may be even their children's children, will ever kiss the hand that smote them. I am not sure that I could, were I one of them; and one cannot help respecting, even when most determined to crush, that stubborn devotion of the soul which still prays and works for the success of the lost cause, by restoring the old supremacy of class and capital over the labor, both white and colored, which lies helpless, under guard of the serried ranks of the white-liners of these Southern States. Consider for a moment how this must be if the democratic party—that is, if the ex-confederate element of the South—succeeds at the next election.

The essence of the institution of slavery was ignorance; therefore, laws were enacted and enforced and customs established in conformity with the spirit of the institution.

The education of the black, even when a freedman, was prohibited by law and the infliction of severe pains and sometimes of even savage cruelties. Religious assemblies could be held only under the *surveillance* of the whites. The great mass of the whites, not belonging to the landed aristocracy, were coupled with the slaves and were merely a substratum or lower order, almost like the Helots of Sparta, upon which the dignity, fortune, and supremacy of the ruling class were supported and perpetuated. Political power was wholly in the hands of three hundred thousand men, who owned and controlled the soil and the labor of the South, and from their own ranks, or by the designation of their class, all the incumbents, emoluments, and positions of power were selected and filled. Speech and the press were dumb, unless subservient. The confidential intercourse of the mails of the General Government was violated under the forms of legal usurpation. Religion came to the rescue and proved the divinity of the accursed institution; and thus all the elements of aristocratic tyranny, even to chains upon the soul, were combined to preserve and intensify that ignorance, without which the fabric of their oppressive power would have fallen in a day. The common school would have peaceably destroyed the institution of slavery in five years at any time since its introduction upon our soil. These false ideas were universally taught, and this policy cherished and enforced, for two generations. There could be but one result. The mental and moral constitution of both races and all conditions was deeply affected. The lower orders felt and believed in their inferiority, while the dominant class, in all sincerity, assumed superiority as an axiom, and its exercise as an inalienable right. Conscientiously believing in their divine right to control, as they did control with despotic sway, the whole structure and all the interests of society, how could these kings become suddenly converted into lambs of republicanism, by the harsh agency of war? Their mental and moral constitution could not be thus suddenly and violently reconstructed. The spirit might be overwhelmed, but no Anglo-Saxon having inherited and tasted the delights of dominion could ever truthfully claim that *force* had converted him into a genuine republican. It is idle to expect that the old instinct for power can be instantly suppressed by the voluntary effort of the men who were first the slave-holding oligarchy, then the fighting confederacy, and now are the body, and brains, and leadership of the democratic party. The faintest degree of political philosophy will convince any man that this must be true. It is no disparagement, but rather is it honorable to the stamina of our southern brethren, that this is so. No men ever fight with such desperation and resource for the preservation and, when lost, for the recovery of power as an aristocracy. I think that is a lesson of history. It cannot be then, in the nature of things, that the leopard has changed his spots any more than the Ethiopian his skin, in consequence of the war.

It would be reasonable then to conclude that these southern democrats are plotting the recovery *within* the Union—where they mean, not merely "to stay," but to rule—of the essential elements of that superiority which they lost by forcibly withdrawing from it. I do not mean that they will seek to restore the *form* of slavery, certainly not for many years, but its substance they may and mean to seize by preserving the intellectual degradation and consequent subjection of the ignorant mass below them, while they are freed from the burdens, which a due regard to the preservation of their property compelled them to bear, when slavery was established or recognized, as one of the institutions of the State. And if they have this purpose, there is only one way in which they can possibly accomplish it, and that is by the destruction or the enfeeblement of the common school. Knowledge will destroy their supremacy and therefore they must destroy knowledge. Now it must be remembered, that I am not claiming that they have or can fully accomplish this end. Counteracting influences of invincible power are in operation, and whatever may become of the negro, the southern *white* yeomanry will some time be republican. I only assert, and it is a statement of direful gravity, that the energies of these men are desperately enlisted to destroy, or at least retard the development of, the common-school system, which alone can confer capacity upon citizenship. And it is the solemn interrogatory of this campaign, Shall the Republic transfer the tremendous power of the national administration into the hands of those, who, by the destruction of the common schools, would in twenty years make a republican form of government impossible?

I ask attention, first, to the evidence which follows in regard to the great mass of ignorance and absence of the means of popular educa-



tion in this country, and particularly in the South, where the caste power is predominant, and, second, to the evidence demonstrating the settled purpose of that power to substantially destroy the common schools.

The results of the census of 1870 in regard to the condition of popular education in the whole country are full of warning and demonstrate the necessity of the greatest vigilance and effort, in the North as well as in the South, in order to preserve the schools and even the present ratio of intelligence to ignorance; and I wish first to invite the earnest attention of the House and of the country to statistics of a more general nature, compiled from the census returns, and which, in my judgment, demonstrate the truth that the greatest dangers environ the future of this Republic; dangers, all the more formidable, because of our centennial complacency, resulting, it may be, from our pleasant habit of using the American eagle only for screaming purposes, and of comparing ourselves with ourselves, which good authority declares to be not wise.

These tables I have taken in part from the census report, and in part have myself carefully compiled, from data therein given.

#### THE ACTUAL ILLITERACY OF THE COUNTRY.

There are in the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Ohio, Michigan, Indiana, Wisconsin, Illinois, Minnesota, Iowa, Nebraska, and Kansas an aggregate of 1,354,205 illiterate persons over ten years of age. In the Pacific States and in the Territories there are 102,594. In the Southern States there are 4,187,735, distributed as follows:

	Census returns.	Thirty-three per cent. increase.	Total population.
Delaware.....	23,160	30,800	125,015
Maryland.....	135,495	180,660	768,894
District of Columbia.....	22,719	38,292	131,700
Virginia.....	445,774	594,698	1,225,163
West Virginia.....	81,490	108,653	442,014
Kentucky.....	332,127	442,896	1,321,011
North Carolina.....	396,993	526,332	1,671,361
Tennessee.....	364,668	486,224	1,538,520
South Carolina.....	290,531	387,108	703,698
Georgia.....	468,576	624,768	1,184,109
Alabama.....	382,957	510,609	996,992
Florida.....	71,798	95,730	187,748
Mississippi.....	312,751	417,001	827,922
Missouri.....	222,383	296,513	1,721,295
Arkansas.....	133,317	177,756	484,471
Louisiana.....	275,742	367,656	726,915
Texas.....	221,512	298,682	818,579

These census returns are made up from the admissions of the persons themselves, and careful examination leads Horace Mann to estimate the real number to be at least 33 per cent. greater than the figures of any given census enumeration; and the experience of educators has led to the universal adoption of the same rule. Even then the figures, however black, are too flattering, for very many have such trifling ability to read and write as to be practically incapable of the acquisition of knowledge from books.

There is thus a total of actual illiterates over ten years of age in this country of 7,524,712  
In the Northern and Northwestern States, (of whom a large percentage are of foreign birth) 1,804,273  
In the Pacific States and in the Territories 136,772  
In the Southern States and District of Columbia, (nearly all natives) 5,573,646

By the same census the total population of these divisions was—  
Northern States..... 23,541,977  
Pacific States and Territories..... 1,004,601  
Southern States..... 14,009,315

Total population United States..... 38,555,983

Percentage of illiterates ten years of age and over to total population of same age, both sexes and all classes.

Alabama.....	54.19	California.....	7.37
Arkansas.....	38.02	Connecticut.....	6.95
Delaware.....	24.95	Illinois.....	7.38
Florida.....	54.76	Iowa.....	5.45
Georgia.....	56.06	Maine.....	3.86
Kentucky.....	35.71	Minnesota.....	7.99
Louisiana.....	52.46	New Hampshire.....	3.81
Maryland.....	23.55	New Jersey.....	8.03
Mississippi.....	53.91	New York.....	7.08
North Carolina.....	51.67	Ohio.....	8.86
South Carolina.....	57.64	Oregon.....	6.64
Tennessee.....	49.94	Pennsylvania.....	8.56
Texas.....	38.82	Vermont.....	6.84
Virginia.....	50.10	Wisconsin.....	7.38
Average.....	45.27	Average.....	6.98

There are in the whole country 2,952,000 ignorant women, most of whom are or may become mothers of children and trainers of families.

Of the 2,000,000 illiterate voters in the United States 1,700,000 are in the Southern States. These States elect thirty-two of the seventy-four Senators and one hundred and nine of the two hundred and ninety-two Representatives in Congress.

In Alabama 53 per cent. of the voters are illiterate. Ignorance controls the election of the Legislature, members of Congress, the executive, the judiciary, and composes more than half of every jury; but who controls ignorance? The old slave caste of the South. The same is true in Mississippi, Georgia, and Florida. In Kentucky 28 per cent. is illiterate; in Maryland 22; in Delaware 24, or one-fourth of all power is in these ignorant masses, and they are in the hands of the political Jesuits of the South.

It is a deadly fact that the ignorance of the southern masses wielded by an educated caste, if they once get possession of the Government, can govern and enslave the whole country.

Commenting upon these startling revelations, the able and indefatigable Commissioner of Education says in his annual report for the year 1871:

But these tremendous figures do not show the extent of this threatening evil, for the measure of future adult illiteracy is found in the present record of the number of children growing up without a knowledge of the rudiments of learning.

Were an invading hostile army to threaten our frontiers the whole people would rise in arms to repel them; but these tables show the mustering of the hosts of a deadlier foe, a more relentless enemy, already within our own borders and by our very fire-sides; a great army of ignorance growing ever stronger, denser, and more invincible.

Ten years without schools for children will insure an adult generation of ignorant citizens, who in losing the knowledge of will have lost the desire for letters. Athens sank rapidly till its transcendent fame became only a tradition. Hostile barbarians plunged Rome into a long night of ignorance.

Here I would gladly stop; but it is better to know the worst and to provide for it. The index-finger of reason points to the rising generation for the fate of the Republic. A people once degenerating from a condition of refined civilization may be destroyed, but will never reform. Duty, then, compels us to study the following statistics, because they involve the problem of national life. They are the cold mathematical statement of the future which we transmit to those who will kiss our lips when cold in death and decorate our graves. The children of the Republic have a right to receive from us the elements and possibilities of a happy existence, since we have compelled them to live. Examine these figures, and tell me if in one-half century of time, unless new agencies are created and old ones quickened for the education of this people, existence in America is likely to be a blessing or a curse?

Latest returns for year 1875 are as follows, from a personal examination of the records of the Bureau of Education:

Statement showing the number of children between the ages of 5 and 21 in the Southern States, the average attendance and the number of school days in the year.

States.	Ages five to twenty-one; total.	Average attendance.	Whole number of days of school, whole year.
Alabama.....	406,270	110,253	864
Arkansas.....	184,692	42,680	140
Delaware.....	94,322	28,306	132
Georgia.....	394,037	96,680	100
Kentucky.....	437,100	159,000	100
Louisiana.....	274,688	69,259	187
Maryland.....	276,130	106,894	140
Mississippi.....	318,450	192,904	99
Missouri.....	738,431	97,830	50
North Carolina.....	348,603	239,364	100
South Carolina.....	426,612	136,185	100
Tennessee.....	313,061	*125,224	78
Texas.....	492,769	103,927	112
West Virginia.....	179,387	79,002	924

\* Estimated.

Arkansas raised per capita by taxation.....	\$0.62
Georgia raised per capita by taxation.....	1.10
Tennessee raised per capita by taxation.....	1.64
South Carolina raised per capita by taxation.....	1.70
Virginia raised per capita by taxation.....	1.93
Maryland (more than any other of the Southern States).....	5.01
Montana Territory.....	8.42
Massachusetts.....	22.00

This table includes all between the age of five and twenty-one years, while those of 1870 include those between five and eighteen years. It is difficult to see, considering this circumstance and the quite considerable increase of population in some of the States since 1870, (being in Texas from 818,599 to more than 1,200,000, or 50 per cent. increase,) whether the schools have lost or gained during the last six years; but local legislation has recently become very hostile to them. It is a pertinent question how long they could live with the southern democracy dominant in all departments of the National Government.

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Table showing number of children between five and eighteen years of age and school attendance in the whole country.

*Table showing condition of children in the Southern States.*

		School population.			Attending school, all classes.			Not attending school, all classes.			Percentage.		
		All classes.	White.	Colored.	White.	Colored.	Total.	White.	Colored.	Total.	All classes.	White.	Colored.
Alabama	Male	173,273	91,959	81,274	31,098	7,502	77,139	130,463	144,341	285,837	77	66	90
	Female	100,703	89,798	79,882	30,226	8,313							
	Total	342,976	181,787	161,156	61,324	15,815							
Arkansas	Male	84,645	64,515	20,118	30,138	2,930	62,573	69,077	33,816	108,990	62	54	82
	Female	80,847	61,350	19,492	26,650	2,854							
	Total	165,492	125,865	39,600	56,788	5,784							
Delaware	Male	20,185	16,376	3,809	9,862	653	19,965	13,623	6,919	19,842	49	42	83
	Female	19,622	16,017	3,605	8,908	532							
	Total	39,807	32,393	7,414	18,770	1,185							
Florida	Male	32,873	16,985	15,888	4,195	2,241	12,778	24,652	26,466	51,119	80	74	85
	Female	31,034	15,921	15,102	4,059	2,283							
	Total	63,897	32,906	30,990	8,254	4,524							
Georgia	Male	206,026	110,345	95,676	33,796	4,898	77,493	151,217	178,795	330,023	81	69	96
	Female	201,490	108,014	93,470	33,346	5,433							
	Total	407,516	218,359	189,146	67,142	10,351							
Kentucky	Male	230,491	190,737	39,736	91,225	3,520	181,225	292,265	71,018	270,314	59	53	89
	Female	224,048	185,031	38,984	82,278	4,182							
	Total	454,539	375,768	78,720	173,503	7,702							
Louisiana	Male	112,520	59,036	53,395	20,542	5,467	51,259	78,035	96,662	174,955	70	66	90
	Female	113,594	59,182	54,304	19,641	5,606							
	Total	226,114	118,218	107,698	40,183	11,076							
Maryland	Male	122,032	94,795	28,137	51,068	3,808	105,435	90,473	48,545	139,019	56	48	86
	Female	121,523	93,459	28,062	46,639	3,866							
	Total	243,555	188,254	56,219	97,707	7,674							
Mississippi	Male	141,412	66,248	75,064	17,139	2,768	30,141	95,872	143,821	239,850	85	73	96
	Female	137,587	63,027	74,475	16,364	2,970							
	Total	278,999	129,275	149,559	33,403	5,733							
Missouri	Male	294,316	273,204	21,102	165,792	4,557	334,348	220,288	33,147	253,455	43	41	78
	Female	283,487	269,344	21,145	149,468	4,323							
	Total	577,803	542,548	42,247	315,260	9,080							
North Carolina	Male	182,421	113,413	68,800	28,357	5,491	65,301	169,716	124,426	294,629	84	76	91
	Female	177,509	110,224	67,045	25,511	5,938							
	Total	359,930	223,637	135,845	53,868	11,419							
South Carolina	Male	118,509	47,734	70,557	12,731	8,339	41,569	69,472	122,641	192,346	82	73	87
	Female	115,406	46,430	68,957	11,961	8,534							
	Total	233,915	94,164	139,514	24,692	16,873							
Tennessee	Male	217,923	161,721	56,185	52,594	4,938	120,710	297,468	101,306	309,023	71	65	90
	Female	211,670	156,061	55,609	51,790	5,453							
	Total	429,592	317,782	111,787	110,314	10,391							
Texas	Male	145,184	100,363	44,761	31,598	2,045	65,205	135,093	84,449	218,646	76	68	96
	Female	130,667	95,740	43,877	20,412	2,144							
	Total	284,851	196,103	88,638	61,010	4,189							
Virginia	Male	200,193	114,561	85,510	31,873	5,105	70,871	165,705	160,106	325,941	82	73	93
	Female	196,799	111,030	85,644	28,009	5,943							
	Total	396,912	225,587	171,154	59,882	11,048							
West Virginia	Male	76,879	73,915	2,964	43,278	634	82,193	64,041	4,909	68,651	45	44	79
	Female	73,965	71,107	2,857	37,703	578							
	Total	150,844	145,022	5,821	80,981	1,212							



Having shown the alarming condition of education, or rather of compulsory ignorance, in the country generally, and especially in the Southern States, I invite the attention of the House to evidence tending to prove that the governing white class at the South—who were the slaveholders and rebels, and since then have been and now are the real leaders of the democratic party of the country, dictating its policy in peace and in war, both foreign and domestic, for sixty years, until to-day, and sure so to do for years to come, if that party should unfortunately continue to live—have always been hostile to popular education, as the one deadly enemy to the institution of slavery while it lasted, and as the great and, in fact, only real obstacle to the restoration of their old supremacy over labor, black and white, at home, and their political ascendancy in the nation at large; and that the triumph of the democratic party will endanger, if not destroy, the free schools at the South, restore the domination of the privileged land-owning class or caste, and reduce all labor of whatever race to a practical servitude more advantageous to the old masters than slavery itself, restore the policy which produced the rebellion, and which must, if pursued, ultimately divide and destroy the country.

I assume, because no one is ignorant of the fact, that previous to the war there was no common public-school system in the Southern States. There was some legislation upon the subject, but no adequate provision was made for the children of the whites, and it was a crime even secretly to teach a black child to read. The northern soldiers were the first common-school teachers who could claim that they were doing a legitimate business in the Southern States. Multitudes of the freedmen learn to read in their contact with the Army; and wherever the Army held quiet occupation for any considerable time the spelling-book was as common as the book of tactics. Schools sprang up spontaneously. Benevolence sent teachers from the North in large numbers. The Freedmen's Bureau, the discontinuance of which by the Government, in consequence of her own clamor and that of her northern allies will, in history, appear to have been a direct blow at the salvation of the South, met, so far as possible, the pressing wants of eager youth and age for knowledge, which to the poor untutored minds of the liberated freedmen was the badge of liberty. General Banks established the first colored school at New Orleans; although previously General Butler had enabled Mrs. Brice to re-open her lone private school, which in obedience to direct intimation from Heaven, as it seemed to her mind, she had opened, at the risk of her life, in September, 1860, but almost immediately closed in obedience to the outcry of the mob. And so it was everywhere all over the South that the Union forces got permanent foot-hold. There is nothing like it in the history of war. It abolished the proverb that the pen is mightier than the sword, for every true northern sword was a pen and every bayonet a blackboard pointer. The religious and other benevolent associations, also concentrated their influence chiefly upon the establishment of schools. The military State governments, the early abolition of which was such a disaster to the South, fostered and encouraged the schools, which had become numerous and well systematized.

When the military governments were discontinued and the southern people were left to themselves, with full power to build for themselves, with the ballot in their own hands, and not in the hands of the colored men at all, then the fruits of the simple-hearted northern trust in the good faith and good sense of the defeated slave power of the South appeared at once, and the real calamities of this country began. Until then the war had been a bloody blessing. The foolish over-confidence of the North, ignoring all the lessons of history and the principles of human nature, pressed, too, by the clamor of the northern democracy against interference with the sovereign rights of States, led the republican party to commit a clemency which was a crime. Such a mistake will never be repeated in the history of this country. From that day the war upon the common school, as the very citadel of free institutions, has been violently waged. Still the institution has lived, and will live, unless the people of the whole country abandon the South to her fate by restoring the democratic party to power in the General Government.

With this preliminary general outline I ask attention to the following extracts, which I have selected wholly, as I believe, from the most reliable authorities, mostly official, purposely excluding details of violence and crime, because I do not wish to excite the feelings, but appealing only to facts, figures, and results, which are the cold steel of argument, to attract attention to the course and tendency of events in the mass, and exhibit, not the animus of individuals, but the settled policy of southern democratic thought. If one-half the colored population had been murdered by the Ku-Klux, stimulated by aimless violence, or if the slaughter at Hamburg was the ebullition of sporadic crime, and not of the madness which has method, and is based upon the cool calculation of a vast and profound political policy, no patriotic American need despair of the Republic. The common school would cure it all, and the next generation would be a prosperous, peaceful, and happy people. But the case is otherwise.

Senator Pease, of Mississippi, delivered a speech in the United States Senate, January 26, 1875, from which I make the following extract. Senator Pease was also State superintendent of public instruction for Mississippi:

I desire to refer the Senate to the condition of education in the Southern States, and I take this occasion to say that in almost every instance (and I know whereof

I affirm, because I have had the honor to be connected with the educational interests of the South) when those States were reconstructed there was no such thing as an efficient school system in the South, and in many Southern States there was no such thing known. These States had, with scarcely an exception, no school laws, and when they had they were practically inoperative, but immediately after reconstruction, in those States which were under republican administration, school-houses were built, educational facilities were provided for the blacks and whites alike.

When the State of Mississippi was reconstructed there was not a single free school in the State. Under republican administration, in three years over two thousand school-houses were built and over three thousand schools were organized. Nearly one hundred thousand children were receiving tuition in the schools under the patronage of a republican administration. The same was true of Tennessee in 1868; but when the power passed from the republican party into the hands of the democracy one of their first acts was to close the schools. The schools were broken up, and not until quite recently have the people of Tennessee paid any attention to the revival of their school system. This was true also of Georgia. Under republican rule schools were established. As soon as the State passed into the hands of the democrats the schools were practically abolished; and they have to-day a merely nominal school system. I undertake to say that the different benevolent and educational associations in the North have contributed more money to support the education of the colored children and the white children in the State of Georgia than the democratic party has ever contributed during the whole history of that State. The same is true of Texas. The amount of the Peabody fund distributed in the South since the war is \$3,500,000. The contributions for educational purposes at the South by the American Missionary Association of the North since the war have amounted to \$1,663,000. The General Government expended through the Freedmen's Bureau nearly \$6,000,000 for educational purposes in the South. During the last ten years the same benevolence has contributed, aside from the Peabody gift, over \$8,000,000 for southern education; and nearly all these contributions have come from republican sources. In the State of Mississippi, when the democratic party began to feel that they were coming again into power and the Ku-Klux organizations were being formed, instead of the honorable Senator would have us believe that the southern people were anxious to educate the negro and the masses of the people, the Ku-Klux democracy burned our school-houses. Over fifty school-houses, including church buildings used for schools by the negroes, were burned in Mississippi by these lawless bands; and it is the same class of men who are foremost in the white-league movement to-day.

I would add to the above that from the best data which I have been able to get the aggregate sum expended by the General Government and by northern benevolence to support free white and colored schools at the South since the war is not less than \$15,000,000. The record of the Methodist, Baptist, Congregational, and other religious denominations in the great effort to save southern society exhibits all the zeal of the early martyrs, combined with the largest wisdom which patriotism, piety, and statesmanship could devise. The report of the Committee upon Affairs in the late Insurrectionary States, which is a document of the highest historic value, on page 279 states that on the 31st day of October, 1865, in the various Southern States five hundred and sixty schools had been already established among the freedmen, and quoting from a report of General Alvord, gives his conclusion as follows: "That the experiment of educating the freedmen proves to be successful and the ignorant whites may be greatly benefited." The committee then proposes the following question:

Were the old leaders who were forming State constitutions ignorant of this great movement?

Which they answer thus:

No; but they feared its effects. Having prevented the slave and the free negroes from coming to the light of knowledge by penal statutes, and having seen many learning to read and write in spite of their prohibitions, sometimes at the risk of life and limb, for in some States persistence in learning to read and write has cost the slave his thumb, while in others he has pursued knowledge even unto death; and seeing this great movement of thousands of freedmen, women, and children alarmed them and shocked their prejudices, they found it would destroy the value of negro labor. From Georgia it was reported in 1865 that most of the white residents of this section took ground against schools for the education of the freed people, not only as labor lost, but some held that it was injurious to all working classes to be taught from books. In many places the education of the freedmen was forcibly resisted even to burning school-houses and killing teachers.

On page 83 the committee says:

The adoption of the fifteenth amendment, having made the ballot secure against the spirit which opposed the thirteenth and rejected as far as it could the fourteenth amendment, presented the colored man clothed with freedom, citizenship, and the ballot. The organization of 1866, animated by the spirit and composed of the material already mentioned, had developed in the opposite direction; and in 1870 and 1871 it rode into Eutaw, Alabama, and murdered Boyd for seeking to punish by law the crime of colored men. It pursued the ministers of the Methodist Episcopal Church in that State because of their loyalty. In North Carolina it hung Wyatt Outlaw for no other offense than opposition to the Ku-Klux and barbarously whipped Mr. Justice for exercising his political rights. In South Carolina it tortured Elias Hill for preaching the Gospel to his race, for educating their children, for leading them in their political interests and business. It assembled in force, armed and disguised, to prevent the execution of a writ of *habeas corpus* in Union County issued to secure ten negroes charged with murder for lawful trial, and hanged them without trial. In Mississippi it destroyed school-houses and drove away school-teachers. In Georgia, and indeed in all the States examined into, it committed murders, whippings, and outrages so numerous and so horrible, that one of the retained defenders of the perpetrators (Hon. Reverdy Johnson) has honored his own nature and denounced the existence of these enormities by declaring that in South Carolina "they are shocking to humanity; they admit neither of justification nor excuse; they violate every obligation which law and nature impose upon men."

And the policy thus portrayed has continued actively in force ever since, and has within a few days been most bloodily illustrated, re-enforced, and clinched by the dastardly and wholesale murder on the unholy soil of Hamburg, of regular soldiers of the State of South Carolina, by the assignees of the Ku-Klux, because they paraded to celebrate our centennial Fourth of July.

I now ask attention to the condition of several of the States, from which the general condition of education at the South may be inferred.

## GEORGIA.

The following extract from the correspondence of the New York Times is the result of the observation of a gentleman of very high character. He writes from Savannah, Georgia, under date of October 26, 1873:

Instead of extending assistance to the weak and lowly, a system of rigorous repression in all forms and everywhere is operated and more or less rigidly enforced by the lovers of the "lost cause." They cut off the poor white and black alike from the benefit of schools, yet were their professions of appreciation of the necessity of education listened to one would suppose that no expense would be spared to educate all classes, for they base all their violent opposition to negro suffrage upon the grounds of negro ignorance. But they have not shown themselves content to withhold assistance and encouragement to the needy. In case of the negroes they caused their school-houses to be burned and their teachers to be driven off until Congress made that too dangerous a business. In this State the laws imposing poll-taxes, sacredly set apart by our constitution for school purposes, are executed with harshness against the negroes, but it is done simply because the payment of that tax is a prerequisite for voting; for the enforcement is only attempted at elections in the infliction of the penalty of disfranchisement upon colored voters, while non-tax-paying whites vote unquestioned. Often with all this fierce zeal to collect the school-tax no public schools exist, and the poor of all classes are left to grow up in ignorance, notwithstanding the price paid to defray the expense of their education is made instrumental in disfranchising their fathers.

A word might not be amiss as to the extent of this enforced ignorance. Statistics cannot tell the whole truth, but they disclose enough to alarm philanthropists and patriots. They inform us that during the year 1870, in Georgia, only 67,000 white and 10,000 colored children—77,000 of both races—between the ages of five and eighteen years, saw the inside of school-houses out of the whole number of 407,000 children in the State. During the next year, 1871, the whole number of children reported is 425,000; only 53,551 of all sorts pretended to go to school, and these averaged only two and a half months for each child during the entire year. *This ignorance is not only winked at by leading southerners, it is enforced by them and their followers.*

Outside a few cities no pretense of schooling children is made at all.

It may be asked what advantage do the dominant race expect to derive from the ignorance thus supplied? It may as well be asked how could ignorance on the part of the slaves be beneficial to the masters in the days of slavery? It enables the old master class to secure to themselves the benefit of the proceeds of the negro's labor with almost as little compensation as in ante bellum times; to bind them hand and foot under the appearance of law, and still to exclude the negroes from the privilege, to any beneficial extent, of the elective franchise, while admitting them to that privilege to a degree, as the leaders fondly suppose, sufficient to quiet the apprehension of the nation on this all-important subject, and finally to control at once the labor and political power of the South.

That the old leaders of the South have a deep-seated purpose to control labor by a system of laws no one who has pretended to watch their conduct can for a moment doubt. They talk it everywhere and write it in all their papers.

The governor of the State declared a short time ago in a public address that "labor must be controlled by law. We may hold inviolate every law of the United States and still so legislate upon our labor system as to retain our old plantation system or in lieu of that establish a baronial one."

[Extract from the letter of a prominent educator living in Georgia.]

—, April 10, 1876.

DEAR SIR: \* \* \* I have had charge of the principal male school in this place since 1855, but am not now teaching on account of the failure of my sight. \* \* \* From a familiarity with the standard and progress of education in Middle Georgia for thirty years, twenty-five of which I have spent in laborious teaching, I ought to have a correct opinion of the present status as compared with the past. I regret the necessity of reporting to you, after a life nearly spent in earnest labor opening views to the young on the fields of science that the standard of education in all our common schools is lowering. \* \* \* The next census will show more white adults in Georgia unable to read and write than did that of the last decade. \* \* \* The colored people as a whole are more ignorant and superstitious than they were the day of their emancipation, because less in contact with the educated whites, and though a few of them have surprisingly improved their opportunities, the mass of them must of necessity ever be the wards of the nation.

## ARKANSAS.

Hon. Thomas Smith, superintendent of public instruction, in his report for 1871 and 1872 to the governor and General Assembly of Arkansas, says:

At the last session of the General Assembly I submitted a report covering the time from the inauguration of the present free-school system up to the 30th September, 1870, embracing a period of something over two years. During that time the system had been put in successful operation; many difficulties had been surmounted \* \* \* and schools had been established in nearly every county in the State. The work of organizing school districts had progressed until most of the townships contained one or more, and many rude but comfortable school-houses had already been built for the accommodation of the several neighborhoods. \* \* \* and many teachers had been attracted hither from the older States by the new and interesting field opened up to educational effort by the inauguration of the free-school system in our State.

He then explains a recent law of the General Assembly, the passage of which was procured by the "enemies of free schools," which reduced taxation for the support of schools and authorized its payment in a depreciated interest-bearing scrip, and adds:

The consequence was the school fund, both State and district, was paid into the State and county treasury, mostly in this kind of depreciated paper, worth but little more during the year past than half its par value. This, of course, reduced the school fund to about half what it would have been in currency \* \* \* which so crippled a large portion of the districts that it was impossible to support even a three months' school. Teachers \* \* \* became disheartened and disgusted and have left the State, and our schools have been deprived of many of our most valuable teachers. The object in thus dwelling upon the mistaken policy of the Legislature is to show how the course pursued has served to embarrass and well-nigh destroy our free-school system of education, which had been so auspiciously inaugurated and so successfully carried forward during the first two years of its history.

## LOUISIANA.

Referring to the democratic party, Hon. T. W. Conway, State superintendent of education of Louisiana, says in his report of 1871, page 45:

The antagonism of a portion of the press and of a powerful class of the people to the constitutional provisions which control this work (that of education) is too well known to require more than a passing allusion. The opposition thus inspired has come from a class of men who prefer that the blight of ignorance should wither the strength of the State rather than the benefits of education should be extended under the law and constitution as they now exist. Unable to emancipate themselves from irrational prejudice, by which both intellect and conscience have been mastered, and haunted by the phantoms of a régime which has forever passed away, they have maintained an opposition, active or passive, as circumstances would allow, to every advancing step which has been taken.

His own italics.

In his report for 1873, page 50, Hon. William G. Brown, State superintendent, in the spirit of the martyr who dies triumphant in the flames, after enumerating the obstacles to be surmounted, breaks forth in the following eloquent strain:

The crusade against ignorance, bigotry, superstition, and caste inaugurated in the South must be carried forward. No one that reads the signs of the times or that surveys the work of the forces of education and estimates the value of the citadels taken and territory occupied can doubt for one moment the result. It were better for the enemies of education in the South that millstones were hanged about their necks and they cast into the depths of the sea, because the awakening from the delusion which prompts their opposition will be almost as fearful as that which tormented Dives.

In August, 1875, the honorable superintendent, the same Professor W. G. Brown, in a public lecture upon education in the South in general, and especially in Louisiana, remarked that—

Previous to the war there was no established system of instruction in nine or ten of the Southern States. What schools there were were conducted exclusively for white children. It was only after reconstruction, when the republican party had assumed control, that there was such a thing as general schools. This consummation was the effect of republican rule. The democratic party, there as elsewhere, were against the spread of intelligence through the colored race. The schools of the South had been opened with but scanty means for their support, and under the most tremendous opposition. A large portion of the tax-payers would have nothing to do with mixed schools. The native whites in many sections were bitterly opposed to them. In several of the Southern States the constitutions prohibited the establishment of separate schools. In Texas the public-school system was abolished immediately upon the accession of the democratic party to power. In Alabama and Arkansas we find substantially the same thing. In Louisiana, Mississippi, Florida, and South Carolina, where educational interests were under the control of the republican party, progress was being made notwithstanding all discouragements. In North Carolina, Virginia, and Kentucky, on the other hand, where the schools were made separate by the law and constitution, there was but little progress made.

And again Mr. Conway states, in report of 1871, page 123:

In my last inspection tour to which I have referred I visited a community of over twelve hundred inhabitants where I was informed a Christian minister had never been except a Catholic priest, and he had been there but once for over a year. I further assert that I do not believe six persons could be found there, excepting three teachers who had been sent there in charge of schools, who could read and write in any language, or that a particle of printed matter, not even the Bible, could be found in one of their houses, except the school-books that had been recently sent there for the use of pupils.

## TENNESSEE.

Upon authority of Hon. John M. Fleming, State superintendent of public instruction, and Hon. J. B. Killebrew, January, 1873, report of 1873, page 371, they say:

In the public mind, respectability does not attach to public schools, and, except in those cities which have established schools of such transcendent merit as to compel the discontinuance of private schools, no correct idea of a well-founded system prevails in the State.

The report of the commissioner of education who organized the common schools of Tennessee prior to 1870 with great efficiency and success, and in the face of all obstacles which ignorance, prejudice, and caste power could present, shows that when the schools were becoming highly prosperous and 185,000 children were already receiving instruction in them, having recovered power in the State the democratic party abolished the whole system and substantially destroyed the schools. But the seed sown had taken root, and an awakened public sentiment among the people has compelled the restoration of the leading features of the system.

## SOUTH CAROLINA.

In his report for the year 1873, Hon. J. K. Jilison, superintendent of public instruction, referring to the attitude of the press, observes:

In many instances the public press of this State has treated our free common school-system with contempt, injustice, ridicule, and unfairness. Every public enterprise and interest ought always to be open to the fair and just criticisms of a fearless, independent, and incorruptible public press. Abuse and misrepresentation cannot, however, be palmed off as criticism upon an intelligent community. There are within our borders a few bright and shining examples of a hireling and partisan press which in the good times to come \* \* \* will only be remembered and regarded as relics of a past era of journalistic barbarism.

In passing, I propose to the House and to the American people this question: Who ever heard of a republican newspaper or of a republican citizen North or South that was opposed to the cause of popular education?

## MISSISSIPPI.

Hon. H. R. Pease, superintendent of public instruction, in his report of 1873, and page 214 of report of Commissioner of Education, says:

Alluding to the mismanagement for forty years of the school lands bequeathed to the State for educational purposes by the General Government, to the unlawful diversion of the school funds to other than school purposes, and the irretrievable loss of millions of this sacred endowment to the people's schools on account of improper legislation and supervision, I wish to say that had a proper financial policy been pursued the school-land fund alone would now afford revenue sufficient to support a system of free schools with ample facilities for the instruction of all the youth of the State.



In his report for 1874 Hon. T. W. Cardozo remarks:

Considering the great opposition which the system has had to encounter from a vast majority of the intelligent portion of our inhabitants and the great breadth of its operations, we have every reason to congratulate ourselves that the public schools of Mississippi are now rapidly growing into popular favor and are among the established branches of our government.

It seems that they were growing too rapidly to suit the "intelligent portion" of the community, and since the white-line democracy reconquered the State there is a different report from the free schools of Mississippi.

The following letter is from the pen of a gentleman of high character who has been closely allied with the government and educational interests of Mississippi since 1865. He was chairman of the house committee on education in that State for several years:

WASHINGTON, D. C., July 29, 1876.

DEAR SIR: In reply to your inquiries about the public schools of Mississippi under the present democratic government, I answer as follows: The republicans organized the first general free-school system in 1870. The law was amended and improved in 1873. The average amount expended annually was about \$600,000, or in 1873, \$683,784, and in 1874, \$602,481. This sum furnished schools only about five months in the year to not exceeding three-fourths of the children of school age, and was obtained by a general tax levied for that purpose on the taxable property of the State, including the poll-tax. The system was made efficient by thorough supervision, and probably no State in the Union ever witnessed better results from the expenditure of the same amount of money.

By an amendment to the Constitution adopted by the republicans, the proceeds of liquor licenses, fines, &c., amounting to about \$150,000 annually, becomes available this year for immediate use, instead of going into a permanent fund as heretofore, allowing only the interest thereon to be expended. The democratic Legislature has abolished the general tax of two mills, and has provided for no certain fund but the amount last stated. The law, however, provides that the counties may levy a tax to make up the deficit in the teachers' fund, but as the law also limits the aggregate State and county taxes to \$16.59 in the thousand dollars in valuation, the taxes for State and county general purposes will, in most instances, come up to this figure, which will leave the schools without money. The fund provided by the Legislature will not maintain schools exceeding a month and a half during the year. The law also says that "if the proceeds of fines, licenses, &c., do not equal the two-mill tax formerly levied, the deficit shall be supplied by transferring a sufficient amount from the general fund to the school fund," but this is only a blind, inasmuch as the "general fund" is scarcely adequate to meet the running expenses of the government, and it must have been known when the law was enacted that there would be no surplus. The next damaging blow to the system is the virtual abolishment of the office of county superintendent. The republicans regarded efficient supervision of the schools as of the first importance, and exacted much patient service of their superintendents. They were paid an average salary of \$800 per annum. The late (democratic) act cuts down the salaries to just one-fifth of what was formerly paid, fixing the maximum at \$270 per annum and the minimum at \$60 per annum. When it is remembered that some counties are thirty by forty miles square and have as many as one hundred and twenty-five schools, it will be seen that the pay proposed amounts to nothing. No capable man can afford to accept the office and take its responsibilities. The provision to pay teachers is as follows:

"The county superintendent and board of supervisors shall, at the beginning of each school year, fix a maximum salary for teachers which shall not be more than \$40 for each school with an average daily attendance of twenty-five or more pupils, and in schools where the average daily attendance is less than twenty-five the amount paid shall not exceed eight cents per day for the actual attendance of each pupil."

This paltry compensation, with the almost absolute certainty that the pay warrant, when drawn, will be against an empty treasury, and the consequent sacrifice of the protested paper at some broker's office at 35 percent discount, will drive all the really competent teachers back into private schools, and the public-school system will come generally into disrepute and worthlessness.

In conclusion, the democrats have committed the fraud of preserving the appearance of a free-school system on paper, while practically it is lifeless, and will about as completely leave the people without schools as if they had repealed and abolished all laws on the subject.

Truly yours,

H. T. FISHER.

Hon. H. W. Blair,  
House of Representatives.

The following letter is from Ex-Governor Powers, of Mississippi:

WASHINGTON, D. C., July 29, 1876.

SIR: In reply to your note received to-day, I have to say that I was the presiding officer of the senate during the first and second sessions of the Legislature of Mississippi held after reconstruction in 1870, 1871, and 1872. In carrying into effect the provisions of our State constitution, which required the establishing of a system of free public schools, a just and fair bill was, after much deliberation and care, matured, the democrats participating, and the bill was in many instances amended to suit their views; but when it came to final passage every member of that party in both branches of the Legislature voted against it. At that time the entire democratic press of the State, with perhaps one or two exceptions, bitterly opposed the establishment of the common-school system, and declared it wrong in principle to tax the property of the white man to educate the children of the colored man. Subsequent to this, during the summer of 1871, democratic conventions in several counties of the State, namely, Newton, Choctaw, Winston, and others, passed resolutions denouncing free schools. In those counties where the opposition to the system was the bitterest, school-houses, constructed in accordance with law, were burned. In Winston, not only were school-houses burned, but churches also, for the avowed reason that they were used for the purposes of free schools. This opposition on the part of the democracy of Mississippi to the free-school system, while it has in some measure modified, has not ceased, as is proven by the fact that the present Legislature, at its last session, failed to levy a direct tax, as had been previously done by republican Legislatures, for the support and maintenance of common schools, leaving therefor only such sums as accrue from sale of lands, liquor licenses, and fines; an amount in the aggregate totally inadequate to the purpose. There was also left on hand by the republicans about \$65,000 in the treasury.

The law was in other respects materially changed, the result of which, if persisted in, must be to destroy the entire free-school system of the State.

I am, sir, yours respectfully,

R. C. POWERS,  
Ex-Governor of Mississippi.

Hon. H. W. Blair,  
New Hampshire.

TEXAS.

Hon. J. C. De Greas, State superintendent of public instruction, in his report to the Commissioner of Education, says:

In May, 1873, the State Legislature abolished the school law which had been in operation since 1871, and passed another of which the governor of the State says in declining to approve the act, page 383:

"The constitution (article 9, section 4) directs the Legislature to establish a uniform system of free schools throughout the State; but this act, though in its title it proposes to establish such a system, in reality does away with all systems."

It, however, became a law notwithstanding the opposition of the governor. And William Alexander, attorney-general of the State, says, page 384:

After careful study of the school law of May 22, 1873, I am forced to conclude that so many of its provisions are unconstitutional, while others are impracticable, that it cannot be put into operation.

And of its practical effect the State superintendent says:

The last Legislature enacted a new school law, repealing the old one, and in effect abolishing our rapidly growing system of common schools. Under this law no uniform system of public free schools as required by the State constitution can be established; in fact the poor, to whom alone the free-schools are to be opened, can never under it be educated. \* \* \* In short, the old paper law of the State is being substantially re-enacted. The school fund is hence likely to be given away to private institutions of learning, while those who are unable to pay for the tuition of their children and who are too proud to acknowledge themselves paupers will be deprived of an education solemnly guaranteed to them by the constitution of the State and indorsed by the Congress of the United States.

The public domain (of the State) on the 31st day of August, 1872, consisted of 88,842,704 acres of land, the proceeds of which were, by section 6, article 9, of the State constitution, to become a part of the common-school fund, but the last Legislature gave away one-half of such lands to corporations.

And the Attorney-General further says in his official opinion:

Besides, the constitution enacts that no law shall ever be made appropriating such (school) fund for any other use or purpose whatever, and the Congress of the United States guaranteed this enactment by providing that the constitution of Texas shall never be so amended or changed as to deprive any citizen or class of citizens of the United States of the school rights and privileges secured by the constitution of said State.

This was a fundamental condition upon which the State was restored "to its practical relations" with the Union. I also quote the following from the Waco Register, showing how the Texas democracy has destroyed the public schools by attempted constitutional enactment in violation of the fundamental conditions of her restoration to the Union:

Our Texas democratic governor, Coke, who has been elected by the Legislature to the United States Senate, may not be able to get into that body. He has been elected under a constitution in violation of the act of Congress admitting the State to representation in Congress. The act of Congress of which we speak (act of 30th of March, 1870, United States Statutes, volume 16, page 80) says, "The performance of these several acts in good faith is a condition precedent to the representation of the State (of Texas) in Congress." It also says, "That the State of Texas is admitted to representation in Congress as one of the States of the Union upon the following fundamental conditions," namely, \* \* \* "Third, that the constitution of Texas shall never be so amended or changed as to deprive any citizen or class of citizens of the United States of the school rights and privileges secured by the constitution of said State." Now the constitution has been so changed as to deprive citizens of the school rights enumerated.

The late constitution provided for public schools for at least four months in the year, and also that "one-fourth of the annual revenue derivable from taxation shall be levied and collected for the benefit of public schools."

The new constitution (under which Coke has been elected to the Senate) does not make it obligatory upon the State government to levy, collect, or set apart one cent of the revenue derivable from taxation to schools.

The constitution under which Coke has been elected is right in the face of the act of Congress under which all our Texas Senators and Representatives have been admitted up to this time since the war, including Senators HAMILTON, Flanagan, MAXEY, and all the Representatives.

The following is taken from the leading republican paper in Texas. Mr. Chase, the editor, is a native of New Hampshire, and a gentleman of high character and thoroughly acquainted with that of which he affirms:

ANSWER TO INQUIRIES.

WASHINGTON, D. C., July 10, 1876.

DEAR SIR: Will you please inform me what the exact status is of your free-school system under democratic management? What does the present law provide for? What amount of money or taxes, and what is the educational condition under the democratic administration? I see you have or are to have a new law on this subject. Did not the democrats abolish free schools when they came into power? What is the character of the school trust fund? What have they done with it? I should also like to know what your rate of taxation is and the condition of your State finances.

W. R. CHASE,  
Waco, Texas.

We have concluded to publish our reply to the above:

1. There are no free schools in the State; at least, we are aware of none either in this section or elsewhere in this State.

2. "The present law" provides for nothing which supports schools. The present law sets apart alternate sections of State public lands to schools, but money is not realized from these nor expected to be realized sufficient to support a system of public schools.

3. No money derived from taxation is set apart for schools under the democratic administration.

4. Yes, the democrats abolished free schools when they came into power. We had a good free-school system and in excellent operation under our republican administration, and under which the children of the State were being educated. Under our constitution (republican) all the public lands and one-fourth of the revenue of the State derived from taxation were set apart to schools, and the constitution made it obligatory upon the Legislature to provide free schools for not less than four months in the year. When the democrats came in they abolished this constitution and have put one in its place which sets apart only one-half the public lands to schools and does not make it obligatory upon the State government to set apart

a cent of the money derived from taxes to schools. Under this (democratic) constitution the schools have gone down.

5. The school trust funds were in United States bonds; but the democratic Legislature has just ordered these bonds to be sold for the money, with which they will pay themselves for their services and issue their own (State) depreciated bonds to be put in the place of the United States bonds. The transaction is simply a robbery from the school fund.

6. Taxes have been heavier every year under democratic administration than they were any year under republican administration and have increased from year to year. The rate may be no higher but more things are taxed.

7. The condition of our State finances is that the legislative finance committee has just reported a deficiency of the rise of \$300,000 of taxes to meet current expenses of the State government. The comptroller asserts this deficiency to be \$500,000. The State has been steadily run in debt at the rate of about a million of dollars a year since the present administration came into power.

#### DELAWARE AND KENTUCKY.

The animus of the original slave democracy toward free schools is clearly seen in Delaware and Kentucky, where they have constantly been in power before, during, and since the war. In neither of these States does the law permit any portion of the tax levied upon property of the whites to be appropriated to the education of colored children, and as the colored people have very little property the enforced ignorance of their children may be imagined possibly but not described.

North Carolina raises less than \$1, and I am informed only fifty cents each to educate her children, while Massachusetts, not educating hers as well by any means as she ought, expends \$22 annually.

It is no excuse that a State is poor. There is no industry so productive as the cultivation of the mind, and there is no way to material wealth so sure and rapid.

#### PROGRESS OF PAPAL INFLUENCE AT THE SOUTH.

There is still another powerful source of danger to the schools, and that is the undoubted alliance between the policy of southern politicians, and that of the Romish propagandists in this country. It will be remembered that the only foreign potentate who recognized the confederacy was the Pope. Both seek a common end, *power*; the one temporal, the other both temporal and spiritual. And even if there is no formal secret alliance between the caste and the hierarchy there is the same tendency to practical subordination of the people; the one leading to an ignorant subserviency and the other to an *educated* subserviency, if I may so express myself. The papal church is alert to the fact that nowhere else on earth is there such a field for the cultivation of *power* as in the Southern States. Whoever holds them in a body, by dividing the North and West, can rule the country. Whoever rules the country will control this hemisphere, and in one century hence will govern the globe. Indications are not wanting that, alarmed by the aroused indignation of the North at the effort to divide the school money there for sectarian uses, the wily Jesuits are changing the ground of their attack to the defenseless ignorance of the South, where, with no obstacles and slight competition, they may build broad and deep the foundations of spiritual and temporal power.

A recent issue of the Montgomery (Alabama) Advertiser remarks:

The Catholic Church is making a determined effort to extend their educational work at the South. The headquarters of this work are in Baltimore, where the priests, nuns, and sisters from abroad report, and are detailed to various parts of the South. New schools for colored children are to be immediately opened, as follows: ten in Georgia, fifteen in Alabama, fifteen in Mississippi, and twenty-five in Louisiana. These schools will offer board and tuition free to colored young men and women.

While nothing is more common than hostility, and even violence, to the free Protestant or public schools and their teachers, who ever has known of any systematic or even casual violence or opposition to a Catholic school at the South? But I can only suggest this topic; and I desire most emphatically to say that if the country will not supply him with anything better, then, by all means, let the southern child seek knowledge and discipline in the schools provided for him by the Catholic church. Better anything than the savage state; and what lover of his country can neglect his duty to vote for free schools, and then condemn the magnificent charity of the Catholic Church, whether her motive be benevolence or power, or both.

I have thus, sir, at great length but without producing a tithe of the immense mass of evidence, which exists and rises from thirteen States of this Union in the face of Heaven, like the poisoned exhalations of the dismal swamp, endeavored to arrest the attention of the House, and fix it upon the danger to the Republic and to humanity, which arises from the great and growing predominance of the ignorant, and consequently weak and vicious elements, in the land. And, sir, I protest here and now, that the issue upon the schools involves their existence as a system, and that the schools are the only sure bulwarks of our liberties. I protest that neither false issues, nor secondary issues, shall be elevated into absorbing importance in this campaign. The school question in the South is comparatively the only question involved in this presidential election. It leaps over all the interests of this generation and grasps the fate of millions yet to be.

There has been no crisis like this in our political affairs since Gettysburgh. Never since then has there been a season of more doubt and danger of the loss of the control of the country, by the republican party. Not because the party is corrupt or weak, or has failed in its mission; but because the grinding burdens of the rebellion and

the incessant hostility of the democratic party, both North and South, to peaceable acquiescence in the logical results of the war, and the incessant reiteration of false and defamatory charges of personal and official corruption, everywhere, and especially against upright and patriotic representative men of the republican party, which republicans have failed properly to resent, forgetting, that in defending the men who are assailed only because they represent our cause, we defend the cause itself, together with all the bickerings, jealousies, and unpatriotic rivalries, which to some extent have necessarily arisen during sixteen years of tremendous power and responsibility, with some actual malfeasance among the trusted officials of the country, although there never has been so little official corruption and dishonor, or so much of strict integrity and high purpose in the administration of any other government, nor of this Government, as since the republican party has controlled it. These, with other causes, have conspired to create among the people a feeling of unrest and disquiet, which may obscure the startling consequences involved. A pestiferous demagogery, a false pretense to personal and political virtue and capacity, and deafening shouts for "peace, peace," at the South, when there is no peace but in the grave; for Tammany and reform, for Hendricks and hard money, for Tilden, resumption, and repeal, ring throughout the country and split the ears of the people. Thus it is hoped to divert public attention from the nature of this contest and to wheedle the American people out of the only guarantee of its liberties—the common school. This is not the purpose of the mass of the democratic party either North or South; for at the South with increasing intelligence there will develop a great white republican party from that splendid yeomanry which furnished the blood, as the slave power did the policy and disciplined intellect of the war. These people, now so ignorant of their interests and of their rights, will, if once the common school breaks through the obstacles which supervene between them, become the staunchest friends of both the schools and of the great northern republican party which they now so ignorantly defame, being exceeding mad against us and verily believing that they are doing God's service; and in these men is the hope of the South. At the North a democrat has the same interest for his child as a republican, though blindly he gropes after the light which the republican has long since found. But however honest may be the masses of the democratic party everywhere—for masses of men are always honest—the policy of the party leaders will conduct both it and the country to ruin.

To be forewarned is to be forearmed. If it is true that eternal vigilance is the price of liberty, there was never a time when its exercise was more important. A false step now, when there is so much to concentrate attention upon ourselves, and the distresses, partly real and partly fancied, of to-day, will be calamitous and perhaps without remedy.

The democratic party has been an agency of fraud and destruction for thirty years. Out of the national ruin and dishonor, with which it piled the land, has grown up the republican party, under the inspiration of Heaven, to recreate and restore. The one represents the affirmative of every evil, and the negative of every good proposition, in our politics: State-rights, discredit to our national promises, which its own treason compelled us to pledge by billions in the markets of the world, the insidious destruction or the emasculation of the free schools, and the restoration of the caste power of the South, to curse all sections once more, and enthrone upon the backs of freemen a landed aristocracy bloated with bonds written in their blood. The other is the party of progress, reform, freedom. It has youth, inspiration, destiny. It has already a history in whose brief record of twenty years is written the drama of ten common centuries of illustrious deeds. Hand in hand the patriarch of the Revolution and the martyr of the rebellion, shall march through the halls of the ages until time shall be no more.

The same thunderbolt of liberty which struck the earth at Marathon and Salamis, at Bannockburn and Bunker Hill, fell again at Vicksburgh and Appomattox; and the inspiration which has kindled the souls of patriots and freemen in all decisive epochs of time, and prompted great sacrifices and heroic deeds for the universal rights of man, dwells as a living fire in the hearts and the history of the republican party. To what great interest of this country, of this whole country, is it not true? What right of the weak and lowly does it not vindicate? What just privilege of the great does it not secure? When and where has the policy of the republican party swerved from the principles of universal liberty protected by law? Where are concentrated the redemptory influences of the nation? Where is the religious and reformatory press? Where is the active leadership of aggressive piety? Where is the control and the chief pecuniary support of the missionary, and higher educational institutions of the land? Let our enemies consider and let them judge how many centuries of progress would be annihilated were the men and influences which are knit together in the republican party eliminated from society and replaced with an equal mass of the democracy, which howls and hiccoughs for Tilden and reform. The two great parties are now in the valley of decision. In three months it will all be over. The time is short and the stake is tremendous. It concerns not this nation alone. It involves vast consequences to the race. But to no part of mankind is it so imperatively necessary that republicanism should triumph as to our blind brethren of the South. They may and perhaps they must hate us. Human nature will not always



budge; and how can the proud, imperious slave-power of the South whisper accents of love from the dust of defeat?

It is easy for us, who are victors, to forgive; but how if we were fallen? I for one would submit, I would be admonished by events, I would repair, I would restore, I would teach my children the new and more excellent way, I would co-operate with my conqueror in the restoration of the power and glory of my country, and would try to wear my mask in submission to the laws and in retrieving the consequences of my fault, if not my crime. I would not insult nor deny the clemency and magnanimity of the country which spared me, and which invited me to a higher and more illustrious destiny than ever before lifted itself into the possibilities of my existence; and I would do justice to my former foes. But that I would ever, in my secret heart, love them, God knows that I doubt it, neither do I expect it from the leaders of the South. But they ought to accept the inevitable. They should find vengeance and revenge in grasping every advantage which has come to them on the wings of war. Did she only know it, the South *conquered* at Appomattox. She conquered herself. God was on her side. He presided over both combatants, and, in the very valley of the shadow of four years of death He beat and pounded the North and South in the mortar of His Providence, until He had broken in pieces the great national crime which provoked His wrath, and gave us another fair chance in the race of national life.

Sir, it is neither possible nor desirable to forget the past, and with it the lessons which, if remembered, may save us from the return of like calamities. The rebellion was a political crime. If any considerable portion of the people of this country believe it to have been otherwise, and shall train up their children in like faith, and consequently to cherish a sentiment that the people who waged war against this Government have been wronged by their defeat, and that justice must yet be done, either by extraordinary pecuniary favors or by future political advantages, to obtain which the bonds of the Union are to be *acquiesced* in, and not to be loved for themselves, then the future of this nation is bloodier than the past. The talk of a restored Union is mockery. If the South again participates in the affairs of this Government, all the while cherishing a secret sense of burning wrong, and is here to clamor for *justice*, there is no peace. *Clemency* she has received. She has profited by it. But she is too proud to admit that she is *forgiven*. She has been saved from herself, from her own madness and fanaticism, however honestly and desperately she may have fought to ruin our common country, and herself most of all; and men who come here to swear to a modified oath of allegiance have no right to taunt those who represent the sentiment which alone has preserved to them, and to us all, a country worth living and dying for with *injustice* to the South. I fervently believe that the real sentiment and temper of the southern people, as a whole, does not justify the sentiment that the North has wronged the South. Peace does not lie in that direction. Neither, sir, can I entertain any respect for that other tendency which is sometimes observed, and in accordance with which northern men are encouraged to express themselves, which presents the South to us as our very desolate and sorely-stricken sister, unable to stand without support, a sickly suppliant for crumbs of comfort, without resources, without fertility, or power of recuperation.

There is no southern State to-day which is not stronger, mightier, and more blest, in her actual condition, and infinitely happier in her near future and more illustrious destiny, than before the war. Every one of them is more populous, every one of them is wealthier, more prosperous, better governed, and, in spite of terrible and disgraceful opposition, better *educated* to-day than before the war. She knows it all herself.

Even the distinguished orator from Georgia, who last winter said that the South, in her exit from this Hall, carried with her the Constitution of the country, and therefore by implication asserted that she left here nothing but a howling mob of fanatical revolutionists, who under the lead of Lincoln, Grant, Sherman, Sheridan, and Sumner, Wilson, Fessenden, Chase, and Stanton, and Stevens, and others, whose names are written honorably in history side by side with those of Washington, Jefferson, Franklin, Adams, and Hamilton, and the long roll of the conscript fathers of the Republic, *subjugated* a wronged and weaker people, and hold them to-day in their tyrannical embrace—even he does not wish to restore the States of his section with slavery in its ancient form, which was the primal cause of all our woes.

And I again say, sir, that the South is stronger and happier for the war. She has gained infinitely more by it than has the North. Considering their relative resources, she is comparatively free from debt. Taxation, compared with the burdens imposed in my own State, is almost unknown. The expenses of her war she has never paid. Thank Providence, old England who robbed us of our commerce and got clear of us for a paltry fifteen millions, lost a great portion of the confederate debt, and some of the northern democrats contributed their share. The liberation of the slaves, instead of being a loss, was a vast and immeasurable gain to her resources by so much as five millions of free, happy, thinking, active human souls are more valuable than so many dumb driven cattle.

Look, too, at the resources of the South. Behold her unlimited territory, almost one million square miles of the best soil created, nearly all of it available and most valuable for the purposes of civilized man; larger than the British Isles, France, Spain, Portugal, Italy,

Germany, and Austria combined, comprising all Europe to the vast Empire of the Czar; with a climate that realizes the enchanting reminiscences of the Island of the Blest, which haunts the soul in the hour of her diviner musings; with river sfor a magnificent commerce and for mechanical power beyond computation, mountains of iron and gold, valleys, plains, and savannahs waiting for the teeming millions yet to be. She is a land, sir, of marvelous prophecy. I have made some effort to know her prospects and capacities, but cannot trespass upon the House with statistical matter upon the subject to-day. But the South will support two hundred millions of people, with no more persons to the square mile than now live in Western and Central Europe. Even this is not the limit of her wonderful future; for, considering her greater natural fertility, resources, and advantages, I fully believe that our little sister which, in the language of the song of songs as sung by the honorable gentleman from Mississippi, of the Committee on Foreign Affairs, and other southern bards of the cypress order, "hath no breasts," can feed from the uprising fountains of her blessed bosom three hundred millions of souls. Sir, I am ashamed to hear the whine of these gentlemen who strive to believe that they are *poor*. In 1860 the number of hands employed as blacksmiths, coopers, carpenters, joiners, painters, varnishers, masons, and stone-cutters, by the census, was in the Southern States 72,046. In 1870 the whole number was 83,237, an increase in these classes of mechanics of 11,466. The State returns show that the increased aggregate value of property from 1868 to 1874 in the State of Georgia was \$81,857,772. In Texas, per State reports, it appears that the taxable property increased in value from \$144,260,244 in 1868 to \$223,410,920 in 1874, or an increase in six years of 54 per cent., which beats the interest of the bloated bondholder of the North.

As there is great complaint of oppressive taxation at the South, which is wickedly attributed to the republican party, I think the following matter deserves attention in this connection.

By virtue of the laws of Mississippi in force before the war, and in force until quite recently, which limited taxation upon land to ten cents on every hundred dollars' worth of the value of the land to be estimated by the owner or person having possession or in charge thereof, the plantations substantially escaped taxation; and the consequence was that, the inventories of property taxable being very much smaller in amount than they should have been, the rate of taxation to the valuation of property was very high; the chief burdens of taxation were thrown upon personal property, the receipts of business, and upon individuals. The valuation of land was very seldom indeed as high as \$10 per acre, and so down to five cents. In thousands of instances it was \$1 per acre, and in that case it would take one thousand acres of land to yield one single dollar of revenue.

The Bay Saint Louis (Mississippi) Gazette, a strong democratic paper, I think in the year 1869 stated that at that time "not one-half the taxable lands in Hancock County were assessed at all, and that the assessed portion was generally rated at *five cents* per acre. By act of the democratic Legislature of Mississippi in 1865 it was provided that "all blacksmiths, bakers, butchers, brickmakers, carriage-makers, carpenters, dealers in timber, lumber, or shingles, gas companies, contractors of bridges, printers, gunsmiths, saw-mills, shoemakers, tailors, tanners, watchmakers, painters, milliners, &c., shall pay twenty-five cents on every one hundred dollars' worth of *gross* receipts, not of capital or profit, but of *gross* receipts or earnings, which is two and one-half times as much as was required of land-owners upon a basis of fifty times greater hardship; and innkeepers, apothecaries, &c., *besides their licenses*, paid \$1 on each \$100 of gross receipts. The county of Warren, including the city of Vicksburg, is the wealthiest county in the State, and the tax-rolls show the following extraordinary state of things for the year 1869—I may be incorrect as to the year:

Colonel Benson Blake and wife's total of taxes on 8,506 acres of the best cotton lands in the State, including a magnificent residence and the finest improvements in the county, all told, is only \$99.78.

Colonel Joseph E. Davis, total taxes on 3,793 acres of bottom land, fronting on the Mississippi River, including the Hurricane plantation, which he recently sold for \$30,000, \$141.14.

Heirs of General John A. Quitman, 6,810 acres of same sort of land, handsomely improved, including a plantation which was rented for \$30,000 per annum, the same year it was assessed paid tax, in all, \$184.64, making 19,101 acres of best land in the South, worth at the very least \$20 per acre, or \$382,020, paying a total tax of \$439.56.

Remember that this is the taxation which the democracy had imposed upon the *real* wealth of the South. This was the policy of the slave power before and after the war. Look now at its policy toward labor and human beings:

Mr. Charles Peine pays by the same records, on license and receipts of his livery stable, &c., \$1 on \$100.....	\$671 03
George & Burchett, on receipts of apothecary shop.....	502 85
Herrick & Dirr, photographers.....	390 00
B. Stricken, the butcher.....	324 95
Fred. Loyd, another butcher.....	243 70
Kleinmann & Beck, bricklayers, on their own work, pay.....	87 76
Philip Gilbert, shoemaker, pays.....	75 28
Bodenhard, on his soda fountain, pays.....	115 28
W. P. Creecy, on salary of \$1,200 per annum as clerk in hardware store, no property but that.....	33 00
Mr. Vetch, a barber, no property but his soap, shears, and razors, pays.....	107 63
Pompey Higgins, a colored drayman, on his dray and two mules, pays.....	33 82
Daily and Weekly Herald pays on receipts.....	165 30
Daily and Weekly Times.....	164 80

This glaring and systematic robbery of labor by wealth, by virtue of laws enacted by the latter, has been constantly opposed by republicans, and in their new constitution I am informed that they have endeavored to remedy it by means of some "modified" or "iron-clad" oath. I now ask attention to the following tables. What has been shown in regard to undervaluation of property will be borne in mind in connection with the rate of taxation per thousand. That taxation must be very slight in such States as Mississippi if the property was properly assessed instead of being exempted in favor of the landed caste is apparent:

States.	Ratio of tax- ation per \$1,000.	Per head.
Nevada.....	\$26 34	\$19 30
Louisiana.....	21 85	9 71
Arkansas.....	18 33	5 91
Mississippi.....	17 86	4 51
Maine.....	15 36	8 53
Nebraska.....	14 83	8 35
Alabama.....	14 77	2 99
Kansas.....	14 15	7 33
South Carolina.....	13 30	3 92
New Hampshire.....	12 88	10 22
Iowa.....	12 62	7 58
California.....	12 25	13 95
Massachusetts.....	11 68	17 10
Minnesota.....	11 57	6 02
Oregon.....	11 26	6 39
Virginia.....	11 26	3 76
Florida.....	11 23	2 64
Missouri.....	10 88	8 08
Ohio.....	10 52	8 83
Maryland.....	10 30	8 49
Illinois.....	10 28	8 59
Georgia.....	9 79	2 21
Kentucky.....	9 48	4 34
Vermont.....	9 07	6 46
West Virginia.....	9 03	3 89
North Carolina.....	9 02	2 20
Indiana.....	8 51	6 42
New Jersey.....	7 88	8 18
Connecticut.....	7 83	11 28
Wisconsin.....	7 67	5 10
Michigan.....	7 52	4 57
New York.....	7 47	11 07
Rhode Island.....	7 31	9 98
Texas.....	7 10	1 38
Tennessee.....	6 79	2 69
Pennsylvania.....	6 44	6 96
Delaware.....	4 30	3 34

Sir, the South is not poor, unless it is in the disposition to work and in the blind folly of her leaders. They fight destiny, and beg to be destroyed. No people ever had such an opportunity, but they will not see.

There is no country like this under the sun. Upon their billion square miles of the garden of God they have 15,000,000 of their own people. They have the active, anxious, persistent, cherishing policy of the General Government which they spleenfully and stupidly and wickedly defame, deride, oppose, and endeavor to destroy. They have a love for destruction, because the gods have made them mad. They persist in a course which, if they could pursue it, would renew the war. Sometimes I think they really desire it as soon as rest, growth, and recuperation can fill their fields with armed men under the stars and bars. If such a conflict must come, may God bring it soon or avert it till I am no more.

Nothing but the defeat of the democratic party in the nation can save the South. If Tilden is elected, her supposed victory will prove her destruction. For a time she will exult. Free from restraint to the exercise of her will within her own limits, and largely so in shaping national policy, the strong reactionary tendencies, which may yield to some extent and coalesce with the prevailing forces of northern and western sentiment should the republicans retain the national administration, will in case of democratic success re-assert themselves, and southern statesmen, a few of whom now appear to have a vision of the promised land, will die, and their people will die, without the sight. A few years will consolidate the sections in hostile array of sentiment, for the North will never surrender the fruits of the struggle, and then, when the country is wealthier, more populous, mightier, there must come another war, to which the last would bear the relation of a skirmish to Waterloo.

The North may possibly endure the calamity of a democratic victory, but it will be certain ruin for this generation to the South. During the last ten years the South has really fought by all the agencies she could employ for the maintenance of her class-power. Her more advanced statesmen are beginning to see their mistake, but not fully; and still she hopes for a success, which if achieved will be destruction. Should she now fail, her leaders will fully realize that in the vain struggle to restore her former supremacy through the democratic party she is losing all the magnificent prospects which spread out before her, if she will only yield to the irresistible current of

events, accept heartily the new order of things, and, by elevating her labor, rise with it to the development of a destiny, which in its grand possibilities surpasses all that poets have dreamed. But "the stars in their courses fought against Sisera," and he fell at last by a woman's hand; and why should the South any longer oppose her happier fortune and ruin everything in the vain attempt to roll the universe against the brakes of the Almighty?

I live in a smiling valley among my hardy constituents—God bless them—where the barren rocks of New England rise high into the free air of heaven, and the dews are kissed from her highest summits by the earliest light which breaks on America from the morning sun. Here generation after generation our people have fought the climate for seven months and a despotic sterility of soil during the remainder of the year. Here, too, they have grown vigorous, intelligent, virtuous, and free. New Hampshire is, by the census, the best-educated State in this Union, and I have the honor, though most unworthily, to represent the most intelligent constituency, as a whole, on the face of the globe. She sent two-thirds of the troops into action who fought and won the battle of Bunker Hill. With the co-operation of the brave Green mountaineers her Stark gave to the country the victory of Bennington. She gave you the greatest orator of time, and a monument to Washington eternal as the universe or his illustrious fame. She buried her scanty resources and her dearest sons in the golgothas of the late war as no other northern State has done. She will not see the last of her debt incurred in its prosecution paid until our grandchildren sleep the sleep that knows no waking. Her rural population is disappearing. The harvest of the war and constant drain of her hardiest sons to the illimitable West has left the summer rose to bloom in beauty and desolation by thousands of forsaken mountain homes where once clustered the tenderest affections of earth. And tears will sometimes come in the eyes of the Granite State as she looks forth from her sterility and desolation upon the vast plains and valleys of fertility and of boundless resource which lie stretched from ocean to ocean, and from the snows of Canada almost to the tropic regions of the globe, and reflects upon the blood she has shed and the treasure she has poured out and the pledge of her industry for a century, that she has signed, sealed, and delivered, and will pay to the last dollar, and yet beholds the blindness that would render the last state of the Union worse than the first.

It will never be. The country will not lose the fruits of the war. This election, which involves them all, can never be the means of restoring obsolete ideas and the enslaving policies of the past.

But I feel no hope until the South learns that she must ally herself with the strength and not with the weakness of the North.

Some time we shall understand each other, but not yet. The republican party must again rescue the country by main strength against the combined South, yoked with the corrupt and subservient democracy of the North. If we fail, God help America!

#### The Tariff in its Relation to Agriculture.

### SPEECH OF HON. J. M. RUSK,

OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

August 11, 1876,

On the tariff in its relation to agriculture.

Mr. RUSK. Mr. Speaker, the agricultural interests of a nation exceed in importance those of every other industry. Commerce, manufactures, mining, and fisheries are relatively invaluable; but it is upon the products of its soil that a nation depends for the basis of its prosperity. Every aid extended by legislation to this department affords indirect assistance to all the other industries. This fact has ever been kept prominently in view by republican statesmen. The journals of Congress during the period the republican party has been in power bear testimony to the fact that encouragement to agriculture has been one of the fundamental principles of the party. This is seen in the passage of the homestead laws, the encouragement given to the construction of railroads through distant districts to enable agricultural products to reach paying markets, the development of the Agricultural Department of the Government, and the protection afforded to agriculture by the tariff. Under these favoring encouragements the number of acres in furrows has increased from 407,212,538 in 1860 to 407,735,041 in 1870, and this, too, against the check occasioned by the democratic rebellion and exhaustive war. The total agricultural product for 1870 as shown by the census amounted to the enormous value of \$2,447,538,658. These figures tell the importance of our agricultural industries and demonstrate the wisdom of the republican policy in fostering that important interest. The customs tariff, against which the advocates of free trade have directed the most persistent opposition, has no interest more directly in view than that of agriculture. The products of the soil are as zealously protected against undue foreign importations as those of the factory. The fol-



lowing is the present scale of duties imposed on imported agricultural products:

Animals.....	30 per cent.	Pease, for seed.....	30 per cent.
Bacon.....	2 cents per pound.	Pork.....	1 cent per pound.
Barley.....	15 cents per bushel.	Potatoes.....	15 cents per bushel.
Beans.....	10 per cent.	Poultry.....	10 per cent.
Beef.....	1 cent per pound.	Rice, cleaned.....	25 cents per pound.
Butter.....	4 cents per pound.	uncleaned.....	3 cents per pound.
Cheese.....	4 cents per pound.	Rye.....	15 cents per bushel.
Corn.....	10 cents per bushel.	flour.....	10 per cent.
Corn-meal.....	10 per cent.	Sausages.....	35 per cent.
Fruit, green.....	10 per cent.	Tallow.....	1 cent per pound.
Hops.....	5 cents per pound.	Tomatoes.....	10 per cent.
Lard.....	3 cents per pound.	Tow, of hemp or flax.....	\$10 per ton.
Linseed.....	30 cents per bushel.	Vegetables, not otherwise pro-	vided for.....
Mutton.....	30 per cent.	Wheat.....	30 cents per bushel.
Oatmeal.....	1 cent per pound.	Wool.....	25 to 50 per cent.
Oats.....	30 per cent.	Yarns.....	20 to 40 per cent.
Pease.....	10 cents per bushel.		

Under these duties foreign importations of agricultural products are kept within reasonable bounds; our own farmers are protected and the product of their labor is largely increased. At the same time the annual export of American agricultural products has more than doubled under the operations of the protective tariffs of the last fifteen years, and amounted in value in 1874 to the enormous sum of \$499,383,672. The following are the exports of the last two years:

*Export of agricultural products, fiscal years 1874 and 1875.*

Articles.	1874.	1875.
<b>BREADSTUFFS.</b>		
Barley.....	\$210,738	\$61,408
Bread and biscuit.....	676,197	610,092
Indian corn.....	24,769,951	24,456,937
Indian-corn meal.....	1,529,399	1,390,533
Oats.....	393,702	290,537
Rye.....	1,568,362	204,590
Rye flour.....	388,313	54,964
Wheat.....	101,421,459	59,607,863
Wheat flour.....	29,252,094	23,712,440
Other small grains and pulse.....	670,146	804,193
Maizena, farina, &c.....	322,443	364,708
<b>Total.....</b>	<b>161,198,894</b>	<b>111,458,365</b>
<b>PROVISIONS.</b>		
Bacon and hams.....	33,383,906	23,612,613
Beef.....	2,956,676	4,377,956
Butter.....	1,092,381	1,576,996
Cheese.....	11,898,995	13,659,603
Condensed milk.....	79,018	123,565
Eggs.....	5,239	8,743
Lard.....	19,398,019	22,990,522
Meats, preserved.....	848,246	735,112
Pickles and sauces.....	30,784	18,865
Pork.....	5,808,712	5,671,495
Onions.....	52,057	51,359
Potatoes.....	471,332	522,182
Other vegetables.....	109,662	137,366
Vegetables, prepared or preserved.....	46,396	32,659
<b>Total.....</b>	<b>76,081,445</b>	<b>78,178,336</b>
<b>MISCELLANEOUS.</b>		
Cotton.....	211,223,580	190,638,625
Farm animals.....	3,310,358	2,472,595
Fruits.....	924,163	1,634,003
Hay.....	394,056	429,598
Hair.....	111,872	110,225
Hemp.....	8,901	21,856
Hides.....	2,560,383	4,729,725
Hops.....	27,973	1,286,501
Oil cake.....	4,099,360	5,138,300
Rice.....	27,075	19,831
Seeds.....	738,914	1,290,015
Tallow.....	8,135,320	5,692,203
Tobacco.....	30,399,181	25,241,549
Wool.....	72,169	62,754
<b>Total.....</b>	<b>262,103,333</b>	<b>232,967,690</b>
<b>RECAPITULATION.</b>		
Breadstuffs.....	161,198,894	111,458,365
Provisions.....	76,081,445	78,178,336
Miscellaneous.....	262,103,333	232,967,690
<b>Grand total.....</b>	<b>499,383,672</b>	<b>422,604,391</b>

These figures show the extent of our agricultural exports, the importance of which may be inferred when it is considered that each million of dollars' worth of products of the soil exported causes the retention of a million dollars in gold at home. The decrease in the exports of 1875 as compared with those of 1874 is owing mainly to a falling off in the export of wheat during the latter year. The export of that article in 1874 was largely above the average, and made a corresponding increase in the aggregate exports. But the average export of agricultural products has not in recent years varied far from \$500,000,000 per annum, and under the present protective policy will continue to increase in the future.

Not a few of the sophistries of the free-trade fraternity are projected and industriously published with a view of deceiving our farmers. It is asserted that a protective tariff increases the cost of manufactures in iron, clothing, agricultural implements, and other commodities required by farmers, and at the same time reduces the prices of agricultural products. These statements are at variance with the facts. Experience shows with unerring certainty that in nearly every case a protective tariff tends to produce directly opposite results; that under its operations farmers receive better prices for their products and pay less for goods they purchase. This statement is not made at a venture. It is susceptible of proof. Take for illustration fabrics for clothing and compare prices in 1857, under partial free trade, with those of 1875, under a protective tariff.

The following were the current retail prices in the principal cities and communities of the West in each year named. The list was prepared by D. H. Mason, esq., associate editor of the Chicago Inter-Ocean, and may be accepted as substantially correct:

*Statement showing current retail prices of fabrics for clothing in 1857 and 1875.*

Articles.	1857.	1875.
Calicoes, prints, per yard.....	\$0 12½	\$0 08
Delaines, per yard.....	25	15
Alpacas, common, per yard.....	75	35
Alpacas, finer quality, per yard.....	1 00	40
Alpacas, finest quality, per yard.....	1 25	45
Woolen cloth, (shoddy in 1857,) good now, per yard.....	1 00	60
Woolen cloth, better quality, (shoddy in 1857,) good now, per yard.....	1 25	75
Woolen cloth, best quality, per yard.....	1 50	1 25
Shawls, each.....	12 00	8 00
Cotton print-cloth, per yard.....	08	04½
Raw cotton, per pound.....	13	15
Spool silk, 100 yards, per dozen.....	1 25	1 25
Skein silk, per ounce.....	7 50	7 00
Knit undershirts, each.....	1 25	50
Knit drawers, each.....	1 25	50

It will be observed that there is one article of raw material included—cotton—and that cost more in 1875 than in 1857, incidentally showing that the cotton farmer received a better price for his product under a protective tariff than he did under partial free trade. All the other articles with one exception are materially lower under a high than under a low rate of duties. In many cases the reduction is more than one-half, and so of other goods; nearly all kinds of flannel goods range from 20 to 30 per cent. less in price now than they did in 1857. Carpets of our own manufacture are lower now than ever before, on a gold basis; and so also are standard doekings, satinets, tweeds, and cassimeres, as has been demonstrated repeatedly by a comparison of present and former prices in the best establishments in the cities of New York, Boston, and Philadelphia.

Again, take the article of agricultural implements. Every intelligent farmer knows that he can buy to better advantage now than he could under the low tariffs of former years, while his implements have been multiplied in variety and improved in quality. The Chicago Evening Journal, November 5, 1875, stated that in a recent interview with the manager of the largest manufactory in the Northwest, that of Messrs. Furst & Bradley, he said:

It is impossible to compare the price of plows in 1837, 1858, 1859, and 1860 with the price during the past four years. There is no more resemblance between a plow of those years and now than there is between daylight and darkness. A plow such as we sell now would then have cost 100 per cent. more to manufacture than it costs now with such facilities as we then had. As a general rule, the prices of agricultural implements are nearly the same as before the war, but the goods now sold are worth 100 per cent. more. They are of better quality, more convenient, will last longer, are better adapted to the wants of the farmer, and are in every respect cheaper than the goods sold before the war; but a mere comparison of our price catalogues for those years with those of the past four years would be unfair, for they indicate no change in quality. We have been buying stock at a continual decline in price for several years past, but the improvements which have been made each year more than offset this decline. We are continually putting more work and better work upon our implements.

One of the partners confirmed this statement, and added:

"I make the knock-down argument that we will take such farm produce as we consume at the prices which prevailed before the war and sell goods at ante-war prices. Any farmer who wants implements for his own use can come here any day and get them on these terms." When the improved quality of the implements is considered, this offer, by a responsible party, is effectually conclusive as to the relative value of farm produce and agricultural implements.

Again, take the articles of iron and steel, which enter largely, directly and indirectly, into agricultural economy in the manufacture of implements and in building railways for transportation. In 1854, under a low tariff, the price of pig-iron was \$37.50 per ton in gold; on the 1st day of January, 1876, it was quoted in our principal markets at \$23 per ton in currency.

In the manufacture of Bessemer steel rails, we have the following results. The quotation is from the report of the American Iron and Steel Association for 1871, and it forcibly shows the advantage of a tariff that enables our manufacturers to open successfully new industries:

In 1864, just before the completion of the first Bessemer steel works in this country, the price of English steel rails in New York and Philadelphia was \$162 in gold. In 1865 two works were in operation here, and foreign rails were lowered to \$120. Two years later, in 1867, a third work started, and two or three new companies were organized to further extend the manufacture, and foreign rails fell to \$110, gold, per ton. In 1869 the capacity of our works was equal to the American demand, nearly \$5,000,000 had been invested in the business, and foreign rails were put down to \$90, gold, per ton. At that price they could not be made here, and the business was threatened with destruction. Ninety-five intelligent consumers of steel rails alarmed at the prospect of being placed at the mercy of foreign makers, appealed to Congress to save our manufacturers by increasing the duty on imported rails. This was done, our works responded with renewed vigor to the increasing home demand, the price rose to a point at which a moderate profit could be made, (about \$105 per ton,) and has since fluctuated but little. There can scarcely be a doubt that, had Congress not acted promptly in the premises, our works would have been closed, the capital invested in them sunk, their skilled labor driven into some other occupation, and the business so disorganized that, before resumption of operations could have taken place, American consumers would have suffered as severely as in the two instances previously given.

Other Bessemer works have since been erected, and the price of steel rails has been further reduced to \$75 per ton currency, or \$66 in gold, "a lower price," says Wharton, in his National Self-Protection, published in 1875, "than that of iron rails two years ago, but little higher than steel rails could be landed here now from England duty free, and doubtless \$25 per ton lower than they could be had duty free if our works had not by protection been called into existence.

Cheap rails cheapen the cost of railroads and lessen the charges for the transportation of wheat, corn, potatoes, cattle, and other agricultural products, and thus benefits the farmer.

Take another illustration of the benefits of protection in reducing the cost of articles used by farmers; and what is said of axes applies equally to edge tools generally:

The manufacture of axes and other edge-tools was commenced at Hartford, Connecticut, in 1826, by the brothers Collins, who were the first to supply the markets of this country with cast-steel axes ready ground for use. By the tariff of 1828 a protective duty of 35 per cent. was levied upon imported axes. Under this protection the Collins Company introduced labor-saving machinery, much of which was invented, patented, and constructed by themselves. Ultimately their axes altogether superseded the foreign article, on account of superior quality and cheapness. In 1836 foreign and home-made axes were selling side by side in the American market at \$15 to \$16 per dozen, at which time foreign producers, finding they could make no money at those rates and that our establishments could not be broken down, withdrew from the competition, abandoning the entire market to our own manufacturers. Then home rivalry and improved methods continued the decline of prices. Axes were selling in 1838 at \$13 to \$15.25 per dozen; in 1843 at \$11 to \$12; and in 1849 at \$8 to \$10.

These quotations are based upon the finance report of the United States for 1849, and they show a constant decline of prices, even after the pressure of foreign competition had been withdrawn. Now we are exporters of axes, and are wrestling from the English one market after another. Said the Sheffield Telegraph, only a few weeks ago: "The steel of an American ax is so superior to that of an imported ax that no pioneer who understands his business will ever carry any other with him into the wilds." Such are the effects of protective duties and the benefits of a high tariff to farmers.

Illustrations might be multiplied, but enough has been presented to show conclusively that farmers pay less for their supplies under a protective tariff than they paid formerly under partial free trade.

On the other hand, the products of their own labor bring better prices now than they did in former years when the tariff was low. In illustration of this, the following table compiled from a recent reliable work by D. H. Mason, esq., entitled How Western Farmers are Benefited by Protection, are presented. We shall for the sake of brevity confine the illustrations to the staple articles of wheat, flour, corn, and potatoes, though similar results could be shown in reference to all other agricultural products. The figures are derived from the official Commerce and Navigation Reports of the United States Government, and show the quantities exported each year named together with the aggregate value and the prices at the port of departure.

#### Exports of wheat.

##### EXPORTS UNDER PARTIAL FREE TRADE.

Fiscal years.	Bushels.	Values.	Average price per bushel.
1849 .....	1,537,534	\$1,736,848	\$1.15012
1850 .....	608,661	643,745	1.05764
1851 .....	1,026,725	1,025,732	.99903
1852 .....	2,694,540	2,555,209	.94829
1853 .....	3,890,141	4,354,403	1.11934
1854 .....	8,036,665	12,420,172	1.54545
1855 .....	798,884	1,329,246	1.66388
1856 .....	8,154,877	15,115,661	1.85357
1857 .....	14,570,331	25,240,857	1.72945
1858 .....	8,928,196	9,061,504	1.01516
1859 .....	3,002,016	2,849,192	.94909
1860 .....	4,155,153	4,076,704	.98112
1861 .....	31,238,057	36,313,624	1.22650
Totals .....	88,629,780	115,742,897	
Annual average .....	6,817,676	8,903,300	1.30691

#### Exports of wheat—Continued.

##### EXPORTS UNDER OUR PROTECTIVE SYSTEM.

Fiscal years.	Bushels.	Values.	Average price per bushel.
1862 .....	37,269,572	\$42,573,295	\$1.14109
1863 .....	36,160,414	46,754,193	1.29296
1864 .....	23,681,712	31,432,133	1.32727
1865 .....	9,937,152	19,397,197	1.95290
1866 .....	5,579,103	7,842,749	1.40574
1867 .....	6,146,411	7,822,555	1.27270
1868 .....	15,940,899	30,247,632	1.89748
1869 .....	17,557,836	24,383,259	1.38274
1870 .....	36,584,115	47,171,229	1.28389
1871 .....	34,304,806	45,143,424	1.31595
1872 .....	26,423,080	38,915,060	1.47377
1873 .....	39,204,285	51,452,254	1.31241
1874 .....	71,039,928	101,421,450	1.42667
Totals .....	359,649,413	494,556,441	
Annual average .....	27,680,724	38,042,803	1.37434

For greater accuracy in the average price per bushel the fraction of a cent is extended to three decimals.

The increase in quantity and in value during the last over the first series of years is significantly conclusive in favor of the protective over the partial free-trade system.

#### Exports of wheat flour.

##### THIRTEEN YEARS UNDER PARTIAL FREE TRADE.

Fiscal years.	Barrels.	Values.	Average price per barrel.
1849 .....	2,108,013	\$11,877,582	\$5.35129
1850 .....	1,385,448	6,098,570	5.12966
1851 .....	2,392,335	10,524,351	4.77571
1852 .....	2,799,889	11,869,143	4.23988
1853 .....	2,920,918	14,783,394	5.06122
1854 .....	4,022,386	27,701,444	6.88682
1855 .....	1,204,540	10,896,908	9.04653
1856 .....	3,510,626	29,275,148	8.33901
1857 .....	3,712,053	25,882,316	6.97253
1858 .....	3,512,169	19,328,884	5.50343
1859 .....	2,431,824	14,433,391	5.93529
1860 .....	2,611,596	15,448,507	5.91535
1861 .....	4,323,756	24,645,649	5.70910
Totals .....	36,745,093	223,168,667	
Annual average .....	2,826,539	17,166,821	6.07344

##### THIRTEEN YEARS UNDER OUR PROTECTIVE SYSTEM.

Fiscal years.	Barrels.	Values.	Average price per barrel.
1862 .....	4,882,033	\$27,534,295	\$5.63990
1863 .....	4,390,055	28,366,069	6.46144
1864 .....	3,557,247	25,588,249	7.19310
1865 .....	2,694,542	27,222,031	10.45175
1866 .....	2,183,050	18,396,686	8.42706
1867 .....	1,300,106	12,803,775	9.84925
1868 .....	2,076,423	20,887,798	10.05960
1869 .....	2,431,873	18,813,865	7.73637
1870 .....	3,463,333	21,169,593	6.11249
1871 .....	3,653,841	24,093,184	6.59393
1872 .....	2,514,535	17,955,684	7.14076
1873 .....	2,562,086	19,381,664	7.56480
1874 .....	4,094,094	29,258,094	7.14641
Totals .....	39,713,318	291,470,967	
Annual average .....	3,054,871	22,420,845	7.33938

Here again the quantity is larger, the aggregate value greater, and the price higher under protection than under partial free trade.

Does this show—

Inquires Mr. Mason—

that the protective policy is detrimental to the prosperity of western farmers? If the 39,713,318 barrels of flour exported in the protective period had been sent abroad at the same average price received for the 36,745,093 barrels exported in the period of partial free trade, then the total export value would have amounted to only \$241,196,454, instead of \$291,470,967, the sum actually realized, making a difference, which would have been a loss of \$50,274,513. In that value of more than \$50,000,000, which represents a positive gain, to be regarded as part of the beneficial effects produced upon our agriculture by the series of tariffs since 1861? Are better prices and larger sales usually looked upon as very serious evils and as oppressive to the grain-grower? We put these questions to the common sense of the reader.



*Exports of Indian corn.*

THIRTEEN YEARS UNDER PARTIAL FREE TRADE.

Fiscal years.	Bushels.	Values.	Average price per bushel.
1849.....	13,257,309	\$7,966,369	\$0.60090
1850.....	6,595,092	3,892,193	.59016
1851.....	3,436,811	1,762,549	.51434
1852.....	2,637,075	1,540,225	.58629
1853.....	2,274,909	1,374,077	.60401
1854.....	7,768,816	6,074,277	.78188
1855.....	7,807,585	6,961,571	.89164
1856.....	10,292,280	7,622,565	.74061
1857.....	7,505,318	5,184,686	.69089
1858.....	4,766,145	3,258,039	.68379
1859.....	1,719,998	1,223,163	.70925
1860.....	3,314,155	2,399,808	.72411
1861.....	10,678,244	6,890,865	.64532
Totals.....	82,033,737	56,251,307	.....
Annual average.....	6,310,287	4,327,024	.68571

THIRTEEN YEARS UNDER THE POLICY OF PROTECTION.

Fiscal years.	Bushels.	Values.	Average price per bushel.
1862.....	18,904,898	\$10,387,383	\$0.54945
1863.....	16,119,476	10,592,704	.65714
1864.....	4,096,684	3,333,280	.81853
1865.....	2,812,726	3,679,133	1.30803
1866.....	13,516,651	11,070,395	.81902
1867.....	14,889,823	14,871,092	.99874
1868.....	11,147,480	13,094,636	1.17402
1869.....	7,047,197	6,890,719	.97686
1870.....	1,392,115	1,287,375	.92490
1871.....	9,826,309	7,458,997	.75908
1872.....	34,491,650	23,984,365	.69537
1873.....	38,541,930	23,794,694	.61737
1874.....	34,434,606	24,769,951	.71933
Totals.....	207,221,555	155,164,324	.....
Annual average.....	15,940,120	11,935,717	.74878

These figures establish a number of significant facts all strongly in favor of the protective policy. Here we find during the thirteen years under that system an export of over 207,000,000 bushels of Indian corn against an export of only 82,000,000 bushels during the thirteen years of partial free trade, and an increase under protection in the price of over six cents per bushel—that is, an increase of 150 per cent. in the quantity and 10 per cent in the price—thus augmenting the value of the export under protection over \$13,000,000, or \$1,000,000 each year in favor of the protective policy. This does not look like injuring the farmer or diminishing the rewards of his labor.

*Exports of potatoes.*

THIRTEEN YEARS UNDER PARTIAL FREE TRADE.

Fiscal years.	Bushels exported.	Values.	Average price per bushel.
1849.....	109,665	\$83,313	\$0.75970
1850.....	155,595	99,333	.63841
1851.....	106,342	79,374	.74584
1852.....	148,916	115,121	.77306
1853.....	225,905	152,569	.67537
1854.....	140,575	121,680	.86559
1855.....	225,013	203,416	.90402
1856.....	236,908	153,061	.67437
1857.....	238,722	205,616	.86132
1858.....	242,231	205,791	.84956
1859.....	376,056	284,111	.75550
1860.....	380,372	284,673	.74341
1861.....	413,091	285,508	.69115
Totals.....	2,989,391	2,273,566	.76053

THIRTEEN YEARS UNDER PROTECTION.

Fiscal years.	Bushels exported.	Values.	Average price per bushel.
1862.....	417,138	\$300,599	\$0.72062
1863.....	517,530	413,581	.79914
1864.....	463,312	473,911	1.02310
1865.....	510,344	724,293	1.41981
1866.....	470,753	535,446	1.13742
1867.....	512,380	505,875	.98730
1868.....	378,605	483,395	1.27678
1869.....	508,249	451,435	.88822
1870.....	506,968	412,488	.80997
1871.....	553,079	432,815	.78257
1872.....	631,537	492,646	.77654
1873.....	515,306	408,291	.79098
1874.....	497,413	471,332	.94757
Totals.....	6,562,505	6,186,409	.94269

Here we find results similar to those in reference to the export of corn. During the protective period the aggregate export of potatoes increased 119 per cent. in quantity, 24 per cent. in the average price per bushel, and 136 per cent. in aggregate value over the free-trade period.

With these facts before them it will be difficult to find any considerable number of farmers who prefer free trade to a well-adjusted protective tariff like that now in successful operation under the republican party.

It has been the cry of the advocates of a free-trade policy that protection diminished the aggregate of our exports. But instead of this the official returns demonstrate the fact that the export of agricultural products has doubled under the protective tariff. Hon. Horace Capron, late United States Commissioner of Agriculture, shows in his carefully prepared reports that our total wheat exports, together with flour reduced to wheat, for forty years prior to the date of his reports, were 670,000,000 bushels. By adopting the same process of reducing the flour to bushels of wheat, and adding the product to the number of bushels of wheat exported during the last thirteen years of protection, it will be found that the total export of that article falls but little short of the total export of the forty years indicated in Mr. Capron's reports. The export of the year 1874 alone amounts to about one-seventh of that of the forty years indicated. These results all tend directly to one conclusion, namely, that our agricultural products are larger and the prices are better under the protective policy than they are under partial free trade. The reasons for this are obvious. The farmer is better paid for the products of his labor; he is enabled to expend larger amounts in the purchase of improved implements and in paying for hired help; he cultivates a broader surface, and as a direct result has a larger surplus product to send to foreign markets.

## OTHER RESULTS OF A PROTECTIVE TARIFF IN ITS RELATION TO AGRICULTURAL INDUSTRIES.

But while our aggregate agricultural product and the quantities of the same exported have largely increased under the republican policy of protection, another and probably the greatest of all the advantages of this policy to the agricultural interests is the fact that it has doubled the aggregate of our manufacturing industries and secured to the farmers larger and more profitable markets at home. Manufacturing establishments, instead of being confined mainly to the New England and Middle States, are now spread over all the States. The shuttle and the plow speed their way side by side. The woolen-mill and the cotton-factory attract population; a community, then a village, and very soon a town springs up and a market is created for the agricultural products of the neighborhood. These mills and factories multiply through the Southern and Western States, and the home market for the surplus products of the soil spreads and increases with the increase and development of manufacturing industry, each becoming a direct benefit to the other and their interests becoming mutual and inseparable. These home markets are always reliable and permanent, while the foreign market is variable and uncertain, depending upon the abundance or deficiency of the European crops. The home markets are also superior to the foreign in the fact that they obviate the necessity of three thousand miles of transportation. Again, the home market creates a demand for a greater variety of agricultural products than the foreign. Hay, on account of its bulky character, cannot be exported at a profit. Perishable vegetables and fruits cannot be sent abroad. But the home market, created by the introduction of manufacturing establishments, enlarges the demand for every variety of agricultural products. This in turn very soon doubles the money value of the farm itself, increases the wealth of the farmer, and guarantees to him permanent sales and remunerative prices for all the fruits of his industry.

These are some of the results of the protective policy. But there is another advantage not yet taken into the account, of having the products of the soil consumed near the place of production, and that is the greater opportunities thus afforded for obtaining a sufficient supply of fertilizers to sustain the productive powers of the soil. It is mainly upon the consumption of agricultural products that the farmer depends for manure. When his crops are sent abroad this element is lost. He cannot afford to ship back from Europe the fertilizing product of breadstuffs and provisions he has sent thither. This is lost and his farm suffers in consequence. Says a recent writer:

To take from the soil and not wear it out the farmer must give back. Let this be done, and the crops increase with the growth of population; neglect this and when decay shall come is but a question of time; come it will inevitably.

Another writer truthfully remarks that:

In New England, with a poor soil, crops increase; in the West, with a rich virgin soil, they decrease in the average per acre. In New England factory and farm are near each other, making a home market for the farmer's produce and enabling him to procure manure to enrich his soil. In the West, the produce being carried off, the soil loses thousands of tons of its most precious constituents for crops and receives no equivalent. Put the factory beside the farm and this drain is stopped.

These are self-evident truths, and are practically evident to every intelligent farmer.

Now, the Morrison tariff, based on the democratic free-trade policy, deprives the present republican tariff of its protective feature. Should it be adopted, the practical effect would be to stop the increase of factories throughout the country and close many, if not all, of those now in existence, and transfer the manufacture of our goods for home consumption to England, Germany, and France, whither our gold

and silver would be shipped to pay for our foreign purchases, while our own manufacturers would turn their hundreds of thousands of employes out of doors and our farmers would be left without markets for their surplus products. Verily the road to ruin is easy, and the democratic policy is to compel our people to walk therein.

EFFECTS OF THE TARIFF UPON PRICES DURING A PERIOD OF HALF A CENTURY.

In order more completely to disarm the advocates of free trade of the claim that a protective tariff cheapens agricultural products and enhances the cost of other commodities required by farmers, the following table is presented for examination. In it will be found the wholesale prices in the New York market on the 1st day of January in each year from 1825 to 1876, inclusive. The articles enumerated are chiefly staple agricultural products, to which are added coal, iron, lead, and leather. To demonstrate the effects of a protective tariff in sustaining the prices of agricultural products and decreasing the cost of manufactured goods, it is not necessary here to go over the figures of each year in detail. The prices, as indicated in the table, are reliable, and the last two columns show the percentage of duties paid each year.

From 1816 till 1824 the duties were low, and they were imposed mainly on coarse and unmanufactured products. The tariff during this period was in no way protective, and the country went through an experience of extreme prostration and distress. The tariff of 1824 was slightly protective, and its beneficial effects were so clearly demonstrated, that in 1828 the duties were increased so as to afford effective protection to home industries. By the act of July 4, 1832, the tariff was again modified, and in March following the compromise act was passed, under which the duties were further reduced, and

linens, stuff goods, silks, and many other articles were admitted free of duty and one-tenth of the excess over 20 per cent. reduced from all other commodities, to take effect December, 1833, with a further similar reduction every two years until 1841, when one-half of the remaining surplus was to be removed, and the other half in 1842, when no duty would exceed 20 per cent.

The protective tariff of 1842 was followed by the free-trade tariff of 1846. This was continued with unimportant changes through a series of years, and resulted in an experience of extreme prostration from which the country never fully recovered until a protective tariff was established under republican legislation. Then the industries revived, and though checked for a time in consequence of a protracted war, prosperity continued until undue speculation, an overstrained credit system and overproduction compelled a halt until the law of supply and demand could again regulate itself. For this the protective policy was in no way responsible.

Keeping these historical facts in view, an examination of the following statement of prices will show the relation of the tariff to the manufacturing industries, and especially to the agricultural interests of the country. Short or excessive crops intervene sometimes to affect prices; but the steady increase of prices of agricultural products during protective periods is notably apparent from 1825 down to the present time. Compare, for example, the prices in 1826 with those of 1872, years of average prosperity, and the result will at once become apparent. It will be seen that agricultural products have, in nearly every instance, increased largely in price, while coal, iron, lead, &c., have decreased in value, in some cases—that of iron for example—nearly 50 per cent. Similar results are shown by a full analysis of the table here presented:

Statement of wholesale prices of provisions and other staple goods in the New York market on the 1st day of January in each year from 1825 to 1876, inclusive.

(The quotations are for first qualities of goods excepting cotton middlings.)

Year.	Wheat, per bushel.	Flour, per barrel.	Corn, per bushel.	Corn-meal, per barrel.	Coal, per chaldron.	Cotton, middling, per pound.	Iron, pig, per ton.	Lead, pig, per hundred pounds.	Leather, sole, per pound.	Molasses, New Orleans, per gallon.	Molasses, foreign, per gallon.	Pork, mess, per barrel.	Beef, mess, per barrel.	Hams, smoked, per pound.	Lard, per pound.	Butter, per pound.	Cheese, per pound.	Rice, per hundred pounds.	Salt, per bushel.	Sugar, New Orleans, per pound.	Sugar, foreign, per pound.	Wool, per pound.	Percentage of customs on dutiable imports for consumption.	Percentage of customs on total imports.
1825	\$1 00	\$5 12	\$0 42	\$2 50	\$9 00	\$0 13	\$35 00	\$7 50	Cts. 22	\$0 30	Cts. 24	\$13 25	\$7 75	Cts. 8	Cts. 9	Cts. 8	Cts. 5	\$3 00	Cts. 48	Cts. 2	Cts. 2	Cts. 30	31.03	28.86
1826	1 00	5 12	42	2 50	9 00	13	35 00	7 50	21	33	26	11 50	8 00	9	7	15	6	2 00	50	2	2	30	44.04	27.47
1827	1 04	5 37	67	3 50	12 00	9	50 00	6 00	18	33	27	11 75	8 75	10	9	15	6	3 50	50	2	2	30	37.90	24.80
1828	1 04	5 37	56	3 00	11 00	8	50 00	6 00	18	34	30	14 00	8 50	9	8	14	6	3 00	53	2	2	30	41.14	28.31
1829	1 75	8 00	58	3 25	11 00	9	50 00	5 00	18	31	25	12 00	8 75	9	5	13	4	2 50	47	2	2	18	44.23	30.45
1830	1 03	4 87	52	2 75	12 00	9	40 00	4 00	18	28	20	11 00	8 00	9	5	12	5	2 50	45	2	2	18	47.46	30.93
1831	1 25	5 75	54	3 25	7 00	9	40 00	3 00	19	33	26	13 50	8 50	10	8	12	5	2 50	42	5	6	20	30.93	23.47
1832	1 25	6 37	73	3 50	10 00	7	40 00	5 00	20	26	26	13 00	9 00	9	9	15	5	3 25	45	5	5	25	41.66	28.17
1833	1 28	6 00	75	3 75	8 50	10	40 00	6 00	17	32	25	12 50	8 50	9	8	14	6	3 25	45	7	6	30	45.21	19.30
1834	1 05	5 37	55	3 62	5 50	10	38 00	5 00	16	30	25	14 00	8 50	9	9	13	7	2 25	38	7	7	30	25.63	14.99
1835	1 04	5 00	73	3 62	5 50	15	38 00	5 00	15	27	21	13 50	8 75	8	7	14	6	3 00	32	6	7	25	41.00	15.33
1836	1 37	7 25	90	4 75	7 00	14	38 00	6 00	14	32	28	18 00	9 50	9	11	22	7	3 00	34	9	8	35	26.39	12.32
1837	1 55	10 00	1 00	4 75	10 00	15	60 00	7 00	18	42	40	23 00	12 00	13	20	8	3	3 50	40	7	6	40	17.92	7.92
1838	1 85	8 02	85	4 50	8 50	11	50 00	6 00	16	40	35	21 50	14 00	10	18	7	3	3 50	35	6	6	38	27.67	14.21
1839	1 37	8 75	90	3 87	7 50	14	37 50	6 00	12	32	26	23 00	15 75	14	13	22	8	4 00	35	6	7	37	28.00	14.27
1840	1 00	5 67	57	3 87	6 50	9	37 50	5 00	17	26	22	14 00	12 00	7	18	8	2	2 75	32	5	5	30	30.58	13.60
1841	1 00	4 94	50	2 87	7 00	9	35 00	5 00	22	27	20	13 00	9 75	8	9	6	3	3 18	30	5	5	25	25.11	11.32
1842	1 25	6 00	66	3 00	8 00	8	34 00	4 00	18	25	16	9 00	7 50	5	10	6	2	2 75	28	5	4	18	28.13	18.15
1843	87	4 60	57	2 56	5 00	7	27 00	4 00	16	19	16	8 25	6 00	6	9	5	2	2 50	28	3	4	18	27.39	10.88
1844	1 00	4 62	43	2 56	5 00	8	31 00	4 00	16	29	21	10 00	6 12	5	8	4	2	2 25	25	6	6	25	32.88	24.14
1845	1 00	4 68	56	2 50	5 00	5	30 00	3 00	14	24	25	9 25	5 50	5	6	9	5	2 27	24	3	5	28	30.61	23.48
1846	1 27	5 87	73	4 00	5 00	6	38 00	4 75	13	23	30	13 25	8 00	10	5	14	6	4 25	28	5	6	26	29.22	21.95
1847	1 00	5 50	78	3 87	6 00	10	33 00	4 37	11	34	15	10 25	8 25	6	13	6	3	3 25	25	6	6	22	23.64	17.57
1848	1 20	6 37	76	3 25	5 50	7	35 00	4 25	14	28	23	11 00	8 25	9	14	6	3	3 00	26	4	4	28	25.36	30.48
1849	1 20	5 87	70	2 93	7 00	6	25 00	4 25	13	28	18	14 12	10 25	9	7	15	6	2 67	21	4	4	25	23.93	19.19
1850	1 24	5 37	60	2 93	5 50	11	23 00	4 25	15	26	21	11 75	8 50	10	6	15	5	2 25	23	4	4	30	26.79	22.27
1851	1 18	5 06	64	2 93	6 50	13	22 00	4 80	14	29	22	12 12	8 75	8	7	16	5	3 00	22	5	4	33	27.85	22.67
1852	1 03	5 00	70	3 00	5 00	8	19 50	4 42	12	27	18	14 62	8 25	9	15	6	2	2 75	20	4	4	30	27.99	22.73
1853	1 30	5 75	68	3 81	5 00	9	30 00	6 00	17	29	20	19 50	9 50	12	20	8	3	3 75	27	4	4	38	26.14	21.99
1854	2 00	7 87	62	3 75	6 50	10	37 50	6 00	23	27	23	13 37	8 50	10	15	8	4	4 12	45	4	4	38	25.53	21.20
1855	2 35	9 12	1 00	4 25	7 00	7	27 50	6 25	10	24	22	12 62	8 25	10	20	10	2	2 50	50	4	4	24	26.28	20.28
1856	2 12	8 25	92	4 12	5 90	9	32 00	7 00	34	48	42	17 25	10 50	12	23	9	4	4 25	27	8	7	30	26.02	20.35
1857	1 70	6 10	73	3 25	6 50	13	30 00	6 75	31	80	38	19 37	10 50	12	20	9	3	3 27	22	9	8	33	22.53	17.69
1858	1 35	4 20	58	3 20	5 00	9	26 00	5 00	22	34	18	15 50	9 00	14	16	6	2	2 75	16	5	5	27	22.30	14.79
1859	1 35	4 20	76	3 40	9 25	11	25 00	5 55	25	36	19	17 25	7 75	11	16	8	3	3 00	17	6	5	36	19.83	14.63
1860	1 40	5 25	88	3 75	5 50	11	24 00	5 70	21	53	32	16 12	5 00	10	15	9	3	3 50	19	7	6	38	19.85	14.68
1861	1 40	5 20	72	3 10	5 50	12	20 00	5 25	20	32	15	16 00	5 75	10	14	9	3	3 25	17	4	4	30	19.10	12.08
1862	1 34	5 40	66	3 00	4 25	36	21 00	7 00	20	50	20	12 00	5 00	8	13	5	7	3 37	20	8	6	47	38.18	23.83
1863	1 58	5 85	70	3 90	8 50	66	23 00	8 00	29	50	24	14 00	7 00	9	18	10	3	3 75	30	8	8	62	37.26	27.36
1864	1 53	8 00	1 27	5 30	8 75	81	42 00	10 50	31	50	38	19 75	5 80	12	27	12	8	5 50	47	13	80	38.91	31.05	
1865	2 55	10 75	1 86	7 75	9 50	1 20	38 00	14 75	38	1 35	33	36 00	20 00	20	46	15	12	10 00	70	24	95	54.39	36.23	
1866	2 30	8 25	1 00	4 25	13 00	51	50 00	9 75	35	1 00	35	27 75	11 00	15	44	17	12	10 00	45	11	70	49.86	40.91	
1867	3 05	11 40	1 15	5 00	8 00	35	49 00	6 75	32	65	40	20 00	12 00	12	38	14	9	9 00	55	9	50	49.48	42.22	
1868	2 80	10 75	1 38	6 15	6 50	15	38 00	6 45	27	70	37	30 00	12 00	12	40	11	8	8 50	48	11	55	49.78	44.25	
1869	2 00	7 00	1 06	4 25	9 00	26	40 00	6 50	24	60	35	26 50	9 00	16	43	15	8	10 00	48	14	60	46.72	41.18	
1870	1 35	5 60	1 09	4 75	7 50	26	38 00	6 25	30	70	39	25 50	8 00	16	39	15	6	7 75	43	10	55	48.58	42.07	
1871	1 47	6 25	76	4 00	6 50	15	31 00	6 30	29	65	30	20 00	10 00	12	25	10	6	7 75	45	9	53	43.88	38.09	
1872	1 68	8 25	76	3 65	4 50	21	36 00	5 90	28	48	33	14 00	8 00	9	25	9	8	8 25	45	9	60	38.11	33.79	
1873	1 85	9 50	60	3 28	5 00	21	45 00	6 50	28	60	32	14 75	11 00	8	25	14	7	7 50	35	8	65	38.92	28.34	
1874	1 65	6 80	78	4 00	5 25	18	35 00	6 87	27	71	40	14 50	10 00	8	24	10	7	7 50	30	8	55	40.53	27.36	
1875	1 17	5 25	93	4 60	6 00	15	26 00	6 15	28	37	50	12 00	11	14	40	15	8	8 00	28	8	50	41.96	28.37	
1876	1 26	5 40	74	3 65	6 50	14	23 00	6 00	27	...	...	21 00	12 50	13	13	36	14	7 00	30	...	...	...	...	...

Where the leaders (....) are inserted no quotations were given in the New York markets.



This table, together with the preceding ones, affords the most conclusive evidence that farmers have nothing to lose but everything to gain by the republican policy of protection, which the democratic party is striving to destroy by a reduction of the tariff and the removal of its protective features. This scheme is a direct attack upon our industries, manufacturing, agricultural, and commercial. They are mutually related one to the other, and so inseparably connected that a blow struck at either will affect the others. The policy of protection is to do equal justice to each and every branch of industry in every section of the country, and past experience has demonstrated the fact of signal success. No legitimate enterprise has in a single instance suffered in consequence of the adoption of the protective policy. On the other hand all our industries have been benefited. There is not an individual of intelligence who attributes the recent crisis in business to the protective tariff. It was the result of other well-known causes. Had it not been for the tariff the depression would have followed immediately upon the close of the war. But the country continued to enjoy an unusual degree of prosperity until reckless speculation and extravagance disarranged legitimate industrial pursuits and paralyzed trade.

#### Mississippi Levees.

### SPEECH OF HON. CASEY YOUNG, OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

July 29, 1876.

The House being as in Committee of the Whole on the state of the Union—

Mr. YOUNG said:

Mr. SPEAKER: The propriety of addressing the House upon a matter not directly before it for consideration would, in my judgment, under ordinary circumstances, be a somewhat doubtful proposition, and certainly the utility of the proceeding might be fairly questioned. But however this may be, I should not this evening avail myself of a parliamentary privilege which the usages, if not the laws, which govern this body entitle me to exercise, and attempt to interest the House by the discussion of a measure to which the attention of only a few members has been specially called, and which to be interesting at all must be examined and understood in all its details, unless it were one of commanding and paramount importance.

Though the subject of the remarks which I propose now to submit is not formally before Congress for present and immediate action, yet for more than fifty years past it has been before the people of six great States of this Union, engaging their constant attention and most anxious consideration. In their estimation, as it presents itself to their minds in all its force and significance, it most nearly and vitally affects and controls their highest commercial, agricultural, and financial interests. Nor do they in any way magnify its importance or overestimate the vast benefits which it would confer upon them if adopted by the Government and carried into effect. Neither would its benefits and advantages be confined alone to the geographical area I have indicated, and thus be sectional and localized in its operations; but its scope would be wider and broader, extending over the fifteen States which lie in the great valley of the Mississippi, and bringing increased wealth and prosperity to their people.

Nor would its effects be bounded even by these extended limits, but its ultimate and final results would be most forcibly felt in every part of our country, in every industry which engages the energies of our 50,000,000 busy people, and would annually pour into the Treasury of the nation a stream of wealth that would enrich it almost beyond computation. A measure compassing results such as these surely should not only command the attention of Congress, but enlist in its support the efforts and sympathies of the people of all callings and professions in every section of our country.

It will not be suspected that what I have said is the exaggerated conceptions of a mind bewildered by the imaginary magnitude and importance of a favorite enterprise, when it is known to the House that the measure which I am now presenting and propose to advocate has for its purpose the reclamation and development of a vast empire of agricultural wealth now annually submerged and desolated by the angry floods of the Mississippi and its tributary streams.

More than two months ago the Committee on Mississippi Levees, of which I am a member, after a long and careful examination of the subject, submitted to the House an extended and ably written report prepared by its chairman, Hon. E. JOHN ELLIS, a Representative from the State of Louisiana, pointing out the necessity and importance of reclaiming and protecting from overflow the alluvial lands bordering upon the Mississippi and its affluent streams, commencing above the mouth of the Ohio and extending to the Gulf of Mexico; a region of country which for fertility of soil and adaptability to the production in profuse abundance of the most valuable agricultural products is unsurpassed by any other in the whole world that has yet been brought under the dominion of civilized men.

The committee, along with their report, also presented a bill asking Congress to make an appropriation for temporary relief and protection to the dwellers in the more exposed portion of the Mississippi lowlands, and which would serve to inaugurate the larger and more extended system which will be necessary to hold in check that vast flood made up of the mingling of many waters, that every year pours without hindrance over all this fertile region. But even this bill, asking for an appropriation of only \$3,000,000, a sum most insignificant compared with the magnitude of the object ultimately sought to be accomplished, the committee has not been able to induce this House to look upon with sufficient favor to afford any reasonable hope that it could have been passed even had it been urged with greater persistency than it has.

For my own part—and I believe I can say as much for the other members of the committee—I yielded my judgment in the matter to that of a large majority of members who believed it to be the duty of the present Congress to enter at once upon a rigid and most relentless system of retrenchment and economy in the administration of public affairs, in order to rescue the Government from the financial embarrassments under which it labors, and which threaten with serious danger every public and private interest.

I do not propose to call up this bill for action at any future day of the present session, and I am therefore not speaking with any hope of securing its immediate passage, but rather for the purpose of getting before the House and the country some statistical and other information which I have gathered from various sources upon this most important and interesting subject, in order that a future session of Congress may give it that attention which the magnitude of the interest it involves entitles it to receive. I cannot better and more concisely outline the region designed to be protected from inundation than to borrow the language of Major A. G. Warfield, an accomplished engineer, who in a learned and scientific paper, submitted by him to the Committee on Mississippi Levees, says:

There are few divisions of the earth which offer more beautiful illustrations of their adaptations of natural means to an obvious purpose than the physical geography of that portion of the United States which lies between the great lakes and the Gulf of Mexico, and extends from the Alleghany to the Rocky Mountains. From the summit of the latter a great plain slopes gently to the East, along which flow all the streams that enter the Lower Mississippi and the Gulf of Mexico from the West. Another plain, of nearly equal extent and equally gentle in its inclination, descends from the North, along which flows the northern tributaries of the Ohio and Mississippi itself, until it unites with the great Missouri, flowing along the irregular line which marks the intersection of these vast surfaces; while another plain, descending from the summit of the Alleghany range, conveys the waters of the Cumberland and Tennessee, and all the southern tributaries of the Ohio, and intersects the great plain from the north in the valley of the Ohio, and the greater plains from the West in the valley of the Lower Mississippi.

The intersection of the great slopes from the south and east with those from the north and west, near the confluence of the Mississippi, Missouri, and Ohio, creates what deserves to be regarded as a geographical center of this remarkable region, a position which is rapidly becoming, from causes depending upon its physical geography, almost entirely the center of commerce, wealth, and population of the whole North American continent.

This writer has not overdrawn the picture of the beauty, geographical advantages, boundless resources, and future greatness of that extended area which he so graphically describes. Divided by the great river of the continent, into which flow from the slopes of the Alleghanies on the east and the Rocky Mountains on the west those tributary streams which bear upon their bosoms the travel and commerce of eight great western States, it is an empire in wealth as well as in extent, possessing every variety of climate, soil, and production, as well as all the facilities for an active and prosperous commerce.

It has been computed that that region of country which is intersected and drained by the Mississippi, and the streams which pour their tide into it from the east and from the west all the way from the mountains to the Gulf, contains within its limits 1,226,600 square miles, and it has been further calculated from data and comparisons which seem reliable that by the close of the present century, or within the first decade thereafter, our population will have increased to nearly 100,000,000, and that of this number not less than 50,000,000 will be found living in the region I have just mentioned, and in half a century its population will average more than forty persons to the square mile.

I give these facts to show the vast scope of the undertaking I am discussing, the great interests it will subserve, and the urgent necessity for its immediate and successful prosecution. But this is not all. What I have said is a mere skeleton outline of the subject; the more important facts are yet to come, facts which address themselves to the practical judgment of men, and which control and govern the action of legislators. That legislation is the wisest and most beneficial which, discarding as far as may be the passions and harsh judgment engendered by mere political exigencies and partisan struggles, seeks to develop every resource, protect every interest of the whole country, and add to the material wealth and prosperity of the whole people. If, therefore, I can convince this House and the country that the measure I propose will accomplish these results, then my task will have been finished, my victory will have been won, and a sense of public duty directing the official action of this body will do the rest.

What is known as the delta of the Mississippi extends from 29° to 30° 30' north, or reaching across eight and one-half degrees of latitude, being about six hundred miles in length, by an average of something more than sixty in breadth. It embraces within its confines portions of four of the great grain-growing and stock-raising States of the western and middle section of the Union, namely, Missouri, Illinois, Ohio,

and Tennessee, while in its very center, below the northern boundary of what is known as the cotton belt, lie the States of Arkansas, Mississippi, and Louisiana, in which is grown more of those staple products, cotton, sugar, and rice, than in any other three States of the South.

Its area is something over 37,000 square miles, or about 24,800,000 acres, including about 4,000,000 square miles, or a little over 2,500,000 acres of sea-marsh, which is supposed to be irreclaimable at least for many years to come, and therefore almost if not entirely worthless. But outside of this latter there will still remain more than 22,000,000 acres of land lying in a valley richer than that of the Po or the Nile, having a soil that the culture of ages will not exhaust, and which only needs to be protected from inundation to make it the most opulent and inviting agricultural field in the world. Most of it still remains shadowed by the gloomy, impenetrable wilderness of natural growth which has covered it perhaps since the time of its formation, and has never yet been invaded by the pioneer farmer, for the reason that the flood was stronger than any obstruction he could oppose to it, while the comparatively small portion which had been rescued from the wilderness, reduced to cultivation, and made to yield the richest reward for the labor of the husbandman, is now being abandoned to ruin and desolation, because the barriers erected by individual or even State enterprise are too feeble to resist the mighty weight of waters which at every flood tide is hurled against them. Hence it is that the frightful loss and deterioration in the value of property occasioned by this cause in the regions subject to overflow would seem incredible to one who has not examined the facts and made the estimate from data that cannot be questioned.

A hasty calculation in connection with this subject, based upon figures that I suppose are at least very nearly correct, would reveal sad and astounding results as to the devastation and ruin which have been wrought in the Lower Mississippi country by overflows in the past sixteen years.

In order, however, to arrive at a correct conclusion in relation to this branch of the matter, it will be necessary for us to go back to a period something over half a century ago, and commence our investigation when levees were in their infancy, and when only a very small proportion of the alluvial lands were protected by them from inundation. Assuming that at the time referred to the 22,500,000 acres of land subject to overflow—but which it is estimated can be reclaimed by levees—was worth without such protection \$1.25 per acre, we would have as the total value of the whole the sum of \$28,125,000. I am aware that this is a most liberal calculation, and gives an amount which greatly exceeds the proper limit, as I am quite sure that more than half the land mentioned could not be sold for more than ten cents per acre without some sort of protection from the water.

Hon. Frank Morey, late a Representative from the State of Louisiana, in a careful and able review of the subject, puts the total value of these lands at only \$8,524,325 unreclaimed, and I think it highly probable that his computation is nearer correct than my own. But either is sufficiently accurate to show the vast increase in their value, when but 5,120,000 acres were only partially protected by an imperfect system of levees, built by individual planters or under authority of the different States in which they were located, and also to show the enormous and alarming decrease in their value resulting from the numerous breaks and partial destruction of these levees since the year 1860.

In 1860, with 5,120,000 acres inclosed by levees, the whole 22,500,000 acres alluded to before were worth \$368,053,520, showing an increase in the property value of the country of \$340,000,000 in less than fifty years; and this wonderful appreciation is mainly due to the protection afforded the tillers of the soil in that region by such imperfect levees as had then been constructed.

Now let us see the results that have followed the breaking and, to some extent, the destruction of large portions of these safeguards all along the shores of the Mississippi River from Cairo to New Orleans. The fine corn-producing lands in Southern Missouri and Northern Arkansas have been again and again submerged by vast volumes of water that flow over them unrestrained, drowning domestic animals, sweeping away fences, buildings, and farming utensils, while the unfortunate owners, impotent to stay the flood, could only look quietly upon the waste of their property and the ruin of their homes. Lower down toward the richer regions of the South the effect of these repeated overflows has been more wide-spread and disastrous, destroying the finest cotton and sugar plantations in the States of Southern Arkansas, Mississippi, and Louisiana, compelling the owners to surrender them to the deluge and the wilderness from which they had rescued them by years of industry and labor.

In the river counties and parishes of these States there are large tracts of land that were a few years ago beautiful farms in the highest state of cultivation, blooming like very gardens with the richest products of southern soil and climate, that now present a striking picture of ruin and desolation. The levees having given way before the swelling tide of the Mississippi, its waters pouring over its banks have obliterated every mark of the plowshare and the hoe, and the beautiful level plains, where but a little while ago the cotton stalk and sugar-cane grew in rich luxuriance, is now covered by the rank forest growth indigenous to alluvial soils. Millions of acres of this land, which could be made so valuable, have been sold for taxes because they have been ruined and their owners have been impoverished for the want of that protection which the General Government

can alone afford; for the States, however able they might be to accomplish such an undertaking in a financial view, could afford no adequate relief, for reasons which I shall endeavor to make manifest before I close my remarks.

The lands which were in 1860 worth the large sum of more than \$350,000,000 have since that time decreased in value until they are now estimated to be worth only \$100,000,000, thus showing an actual loss in the producing taxable wealth of the country of something like \$250,000,000.

This, it will be seen, only comprises the direct and actual injury to the landed property, and does not include the value of the agricultural products that have been destroyed, which it would be impossible to calculate correctly; but an approximate estimate may be made.

By calculations made from data furnished by chambers of commerce, boards of trade, and facts obtained from other reliable sources of information, it is estimated that the losses sustained in the overflowed country by the flood of 1874 was not less than \$13,000,000, while the damage done in the succeeding year 1875 reached nearly \$10,000,000. Thus in two years the loss of agricultural products amounts to more than \$20,000,000. Since 1860 there have been seven great overflows in the Mississippi and in some of the streams which are tributary to it, occurring in the years 1862, 1865, 1868, 1871, 1874, 1875, and 1876.

While the losses inflicted by the floods of 1874 and 1875 may not be a fair standard by which to estimate the losses of the other years I have enumerated, yet it is estimated in a carefully prepared paper by a prominent merchant in a large commercial city, and which I now have before me, that the destruction of cotton, sugar, rice, and other southern farm products, resulting from the different overflows since 1860, would average in value for each one of them the sum of \$8,000,000, amounting in the aggregate—leaving out the present year—to \$48,000,000. This added to the \$250,000,000 of the depreciation in the value of lands, would make the enormous sum of \$298,000,000, that has been subtracted from our material and active wealth within a period of fifteen years, and all resulting from a single cause.

How long will the people and the Government of the United States permit this vast destruction of property and the resources of national and individual wealth to continue, with no effort to stay it? is a most pertinent and important inquiry, and one which I shall consider it my duty to reiterate so long as I may hold a seat in Congress or until it is answered by a prompt application of the means necessary to hold the raging flood in subjection.

A still further examination of this subject in respect to the immense losses that have actually occurred for want of a proper system of levees and the enormous wealth that will accrue from their prompt and speedy construction may prove an interesting study and pleasant recreation to the large number of distinguished statesmen who have devoted their thoughts and energies in so commendable a spirit of rivalry to the solution of those perplexing problems suggested by our present financial policy.

If there is any one great staple agricultural product, any single commercial commodity which controls the markets of the world, and which can disturb and derange the commerce of other nations, cotton is the article which more nearly meets these conditions than any other. It has been demonstrated by repeated and costly experiments that no part of the earth's surface has a soil and climate so perfectly adapted to the production of cotton as are found in the southern States of this country whose borders are washed by the waters of the Mississippi. We can not only raise this great staple cheaper, with less labor, and in greater abundance than in any other cotton-growing region of the world, but that of American growth is of superior fiber and quality, commands a higher price in the market, and is greatly superior to any other known to commerce and manufactures for all the purposes to which it is applied. So it will be seen that in the production of this article no other country can compete with us and that we need fear no rival in this branch of agriculture and commerce.

And the same may be said as respects the production of sugar and rice, those great commodities of commerce that have grown to be necessities in nearly every civilized country, and the consumption of which is every day increasing. The sugar plantations on the Red and Lower Mississippi Rivers are unsurpassed in producing power by those in the most favored localities of Cuba or the West Indies; while nearer the sea-coast, and along the borders of the lakes, rice grows in greater abundance and of finer quality than on the lands irrigated by the Gauges or the Nile.

The entire cotton crop for the year 1875 was something over 4,000,000 bales, which computed at the low price of ten cents per pound was worth on an average \$50 per bale, which would give a grand aggregate value of \$200,000,000.

That these estimates are low ones, falling greatly below the figures which would represent the real facts of the case, will appear from the following statistics taken from an authorized official compilation:

In 1875 there was exported from the United States 1,155,970,763 pounds of the ordinary cotton grown in the Gulf States of the South, and 4,420,120 of the finer textured variety, known as sea island, grown in the peculiar soil and milder climate of the Florida coast.

The value of the former is put down in official reports at \$189,000,856, and the latter at \$1,538,769, making as the combined value of the two the sum of \$190,538,625.



In addition to this our exportations included manufactured goods of cotton fabrics, valued at \$4,071,881, which, added to the former amount, gives us the total value of cotton and cotton manufacturers we sent during the last year to the markets of other countries the sum of \$194,710,506.

During the same year we exported 362,552 pounds of brown sugar, worth, in round numbers, \$31,111; 23,780,836 pounds of refined sugar, worth \$2,585,382; also 3,375,995 gallons of molasses, worth \$1,135,995, and lastly, 279,337 pounds of rice, worth \$19,831, making the aggregate value of these few commodities of export amount to the sum of \$198,762,825. Thus it will be seen that those agricultural products peculiar to the Southern States, but for the most part grown in those rich alluvial regions which spread out northward from the Gulf and eastward and westward from the Mississippi River, constitute in value nearly one-third of our entire exports, the total of which for last year was \$643,094,767. Leaving out breadstuffs and gold and silver coin and bullion, no other ten or even twenty articles in the list would equal in value those I have enumerated.

Now suppose that by a wise act of legislation those immense values could be doubled and the means which create them could be increased a hundred-fold within a decade of years, would not the American Congress fail of discharging one of its highest duties and be justly chargeable with neglecting one of the greatest of our public interests if it did not take prompt and immediate action to secure such a result? This proposition being submitted, the natural inquiry would be, is it possible to accomplish results so valuable and important; can such vast interests be subserved and such immense resources be developed by any single legislative act? I give in answer to these questions higher authority than my own opinion.

More than a quarter of a century ago General A. A. Humphreys, then a young captain in the United States Army, but now the distinguished Chief of Engineers, in connection with Lieutenant H. L. Abbott, made a careful survey of all the Mississippi delta, with a view of determining the practicability of protecting it from overflow, and the best method of doing so.

And as the result of his labors and investigations, he published to the world his invaluable work upon the Physics and Hydraulics of the Mississippi River. Nothing connected with the country he was sent to explore and the subject he was to examine escaped his watchful and critical observation, and the fund of information upon which he based his conclusions is of great interest and value to the scientist and the student of political and agricultural economy.

Fifteen years after the publication of this book its distinguished author made another survey of the same region for a similar purpose, and in his report of the same, transmitted to the Secretary of War on the 31st day of May, 1866, speaking of the section which ought and could be reclaimed and protected by levees, says:

Of this area 12,300 square miles is below Red River, and belongs to the sugar region.

Under a proper system of protection and drainage, one-third of it may be entirely open and cultivated, or 2,500,000 acres.

Suppose this were done and only one-half of this immense acreage cultivated in sugar, and that it would produce one hoghead of that staple per acre, together with molasses and sirup in corresponding quantities, it would, calculating upon the basis of 1875, increase our sugar productions in quantity from 24,143,388 pounds to more than 200,000,000; and in value from \$2,116,473 to more than \$20,000,000; while at the same time the amount of sirup and molasses would be increased from 3,375,995 gallons to nearly \$30,000,000, with a value augmented from \$1,135,995 to more than \$10,000,000; making a total increase in the wealth accruing from the culture of the sugar-cane of something over \$25,000,000 annually.

General Humphreys, describing the same subject, further says:

Of the remaining 19,400 square miles, perhaps 3,000 square miles may be north of the cotton region, leaving some 16,000 square miles within that region of the most fertile alluvium, two-thirds of which may finally be rendered cultivable under a proper system of levees and drainage.

This would give 7,000,000 acres of cultivated land capable of growing a bale of cotton to the acre, or about double the whole cotton crop of the United States in 1860.

If this supposition of General Humphreys be correct that this land can be reclaimed, and that its producing qualities are as great as he states them, by bringing it into cultivation we increase our cotton crop to more than 10,000,000 bales, and its value, taking our table of exports for 1875 as a basis of calculation, from \$194,710,506 to more than \$500,000,000; a sum only about \$100,000,000 short of the value of our total exports of all kinds for the past year.

Now add to this sum the \$30,000,000 increase in the value of our sugar productions, to say nothing of other articles, we have an annual appreciation of \$530,000,000 in our agricultural wealth, not estimated in demonetized silver nor depreciated currency, but in solid gold that circulates with equal credit and value in all parts of the civilized world. Here we have an income from an inexhaustible source which would in five years discharge our public debt and give an impetus to our trade and commerce that would enrich us as a nation and dispense a prosperity among our people never before equalled. This is no fanciful conception, based upon imaginary figures and facts which do not exist, but it is a conclusion resulting from a careful examination of official statistics that may be relied upon as entirely correct.

In view of what I have already said, the next inquiry that would

be naturally suggested would be our looking to the ascertainment of the most feasible means of reclaiming our vast alluvial delta from overflow, the coinage of the immense wealth which I have computed, and the cost which the application of these means would involve.

The first of these questions I do not propose to discuss, involving as it does various and widely divergent theories for the protection of overflowed lands which have from time to time been advanced by different scientific men in this country and Europe; but I am content to rest this problem in the hands of the scientific officers of the Government. They are better fitted to decide the matter intelligently and correctly than is the politician or legislator. It is only for us to determine that the work shall be done, and let the officer of another Department of the Government suggest and direct its proper execution. In speaking upon the subject I have used the word "levees" as expressive of the method of reclaiming and protecting the region liable to overflow; but I have done this for convenience, and not that I intended to indicate as my own belief that this is the only or even best way of effecting the desired result.

I have not had an opportunity of making sufficiently careful and extended personal observations to enable me to judge adversely of the matter, nor am I sufficiently learned in engineering science to risk my own judgment in the determination of so grave a question. I have examined with some care the other two theories proposed by some scientific writers, that is, a system of reservoirs or of canals and outlets, and I have concluded that the weight of authority is against these latter projects, and that a well-designed system of levees, coupled with proper drainage, gives greater hope of attaining the desired object than any other method that has yet been suggested or devised.

Many cogent reasons have been given by gentlemen eminently qualified to judge why any other system than that of levees would fail of affording the desired protection, and would tend rather to aggravate than to remedy the evil. Upon this, however, I must refer to the same high authority I have already quoted, and also to Major-General G. K. Warren, United States Army, an officer distinguished as an engineer, who was made president of a board of commissioners composed of Army engineers, appointed by the President of the United States under an act of Congress of June 4, 1874, to investigate and report a permanent plan for the reclamation, &c., of the alluvial lands of the Mississippi River. In a report of this investigation and survey made to the President on the 16th day of January, 1875, he says:

It being certain that the alluvial regions of the Mississippi can only be reclaimed by levees, it remains to consider what experience has taught respecting them. The existing system was begun a century and a half ago, near New Orleans, and has gradually extended upward until there are, few points on the river where it has not been tried.

The crops of cotton, sugar, corn, and rice heretofore gathered from the alluvial region, with all the existing wealth of lands, &c., are the direct fruits of this method of protecting the country against overflow.

In respect to the necessary cost of putting in operation this system of reclamation and protection, the same distinguished officer in the report referred to estimates the whole expenditure required to construct sufficient levees in addition to those now in existence to secure the entire delta from inundation at \$45,000,000.

I have gone into the discussion and examination of this subject more in detail and at greater length than was pleasant to me or perhaps interesting to the House; but I have done so in order that it might be fairly and fully understood.

Now, the proposition is presented of whether or not we will invest \$45,000,000 in a venture that will bring an annual return of more than \$500,000,000, or shall we continue our comparatively unprofitable, barren work on the angry discussion of political theories and partisan questions of little consequence to the toiling millions who expect at our hands legislation that will give labor and thrift to them and wealth and prosperity to the country?

Would any other government in the world fail longer to utilize this immense source of productive wealth or allow so vast a region of unequalled fertility of soil to remain longer without protection against the desolation every year brought upon it by the destructive flood.

All the mints and mines from Philadelphia to San Francisco contain in their vaults and caverns no such vast wealth as now lies buried in the bosom of the Mississippi delta.

To secure the little gold which is supposed to exist beneath the barren rocks and rugged surface of the Black Hills, men have left the delights of home and the society of civilized people and gone to wander amid hardships and dangers over that desolate country. To protect these wild adventurers in their search for gold in a country where they had no right to go, our Government has been drawn into a war, in violation of solemn treaty stipulations, that has already cost the lives of more than five hundred American soldiers and citizens, and that before the end is reached will cost millions of dollars and probably the early extermination of a whole race of people.

And yet without loss of blood or the expenditure of more money than this unfortunate war will in all probability cost, we might open and develop a source of wealth richer and more lasting than all the gold and silver mines of the Black Hills or California.

Enterprises like the one I am urging have been undertaken and successfully prosecuted by other nations at a cost greatly in excess of the figures I have mentioned, and yet they have yielded the richest return. The waters of the Rhine, the Odega, the Volga, and the

Po were formerly wont in seasons of high tide to rise above their banks and overflow the adjacent country, rendering it useless for cultivation. But the governments of the countries through which they flow, wiser than ours has proven itself to be, long ago made it a national undertaking, and erected those great works which now hold within their bounds the swelling flood which would otherwise sweep over the lowlands, carrying destruction in its pathway.

The valleys which border these streams, which were once but little better than swamps and marshes, producing nothing of agricultural or commercial value, are now fields of the busiest industry, giving employment, subsistence, and comfort to millions of prosperous and contented people.

Why not do the same thing and with the same result to our great Mississippi and the other rivers which converge upon it and pour their waters into its bosom?

Do this, protect from overflow the rich regions through which they flow, open them up to the industry of the farmer, and a hardy, energetic population, seeking fields where labor finds its highest reward, will pour into it from the north, the east, and the west. Capital, ever finding its way to localities where it can be invested with the largest profit, coming in millions, will lend its powerful aid to subdue the wilderness and to foster and build up the great industries which will find their home in this favored region.

I am aware that the spirit of retrenchment and economy which universally pervades the public mind of the country, and the influence of which has largely controlled this Congress in making appropriations for public works, is a gratifying evidence of a healthy reaction after a season of great extravagance; but yet it may be carried to an extent to become hurtful to the public interest. And while I have in the main most heartily indorsed and supported those measures looking to retrenchment and the economical administration of public affairs, yet I am not wholly prepared to subscribe to the wisdom of that system of economy which in times of financial distress and dearth of employment for the laboring classes would withhold from them that assistance and relief which would be afforded by a reasonable disbursement of public money in the prosecution of public works.

The example of other nations teaches a different lesson in political economy. In seasons of the greatest monetary want among the people other governments have carried forward their greatest public works, and these experiments have worked the most happy results. I am unable to see any good reason why they would not follow a similar policy in this country. Commence the great enterprise, the future advantages of which I have been trying in these remarks to foreshadow, and you give useful employment to many thousands of willing hands and strong arms that are now folded in idleness because there is no field of industry in which they can labor.

Idleness brings discontent, and engenders a moral, social, and political atmosphere which breeds corruption and wickedness, in which evil passions are born, in which lawless acts and violence find sanction and protection, and which sooner or later brings ruin to a people, decay and death to a nation.

Foster and build up the great industries of the country, develop its boundless resources, and we shall be great and prosperous beyond parallel in the history of nations. Let us "cease the agitation and discussion of those useless and exasperating questions which have their birth in mere partisan hostility and hatred, and which it were better for the whole American people if they could be forever driven from American politics, and direct our efforts to the accomplishment of higher and nobler aims. Reconstruct our industrial, agricultural, and commercial system, and social policy and political affairs will reconstruct themselves without legislative assistance. And with wealth pouring into the coffers of the nation and prosperity diffused among the people, we will require no law to adjust our trembling monetary system, nor to fix the date of specie resumption. Nor will we hear again that cry for financial relief by special legislation, which has within the past few months resounded through these halls, striking terror to the faint heart of many an aspiring statesman.

During the present session of Congress many unjust, harsh, and, as I have thought, ungenerous things have been said of the supposed political designs and intentions of those members who came from the section of country which I in part represent in this body; but I am willing to believe that they were for the most part hasty utterances, evoked by the evil spirit of party, dominant only for the moment, in the heat of political debate, and did not express the calm conclusions of those from whom they came. But, however this may be, it has been more than intimated that the southern representatives were willing to prostitute their positions and sacrifice the public interest to secure legislation for the promotion of local interests and for the securing of local benefits. To this uncharitable criticism, to this unjust and unfounded imputation, it is not my present purpose to make any direct reply, further than to say that the legislation which I am now seeking does not in any way partake of the kind mentioned.

Of all legislation, that which is sectional in its character, which is obtained by appeals to purely sectional interests or hostility, is the most dangerous and pernicious. Such legislation, I believe, is unknown in any government but our own; and it will be a most gratifying emblem of progress when we shall learn to profit by the example of other nations of the world in this particular. I do not ask the passage of this measure upon any such ground. It is a matter of

as vital interest to the North, the East, and the West as it is to the South; and if any benefits are to result from it, all sections will share them alike. The great river which flows through the rich region I would reclaim, having its sources in the springs and rivulets which feed the northern lakes and gathering the full volume of its current from those streams which drain the country east and west of its course, sweeps by the great western States, furnishing a highway of travel, commerce, and trade to the markets of the Gulf, while these send back in turn to the towns and cities of the West the wealth gathered from the rich fields of the southern delta.

The New England manufacturers will again set their idle machinery in motion, giving employment to thousands of skilled operatives who are eager for honest, active labor. The great marts of trade and money-centers of the East and North will reap the rich financial harvest which will be brought to them by the annual flow of \$500,000,000 through their channels of commerce and trade.

I have pointed out but few of the advantages that would result from the passage of this measure, but I have given an outline of its importance, and said enough, I trust, to secure for it some consideration from the people of the country and their Representatives in the next session of Congress.

I do not want it for the benefit of my section alone, but for the sturdy yeomanry of the West, the merchant of the North, the artisan of the East, as well as for the laborers of every class in the South. In the name of all these I shall continue to ask for this legislation until Congress shall listen to their demand.

#### Appropriations.

### SPEECH OF HON. HORACE F. PAGE, OF CALIFORNIA,

#### IN THE HOUSE OF REPRESENTATIVES,

July 29, 1876.

The House being as in Committee of the Whole on the state of the Union—

Mr. PAGE said:

Mr. SPEAKER: When Thaddeus Stevens stood upon this floor and battled as he alone could battle for the reconstruction of the States which had been in rebellion against the national authority, and when, with his high courage and matchless will, he warred against lukewarmness, vacillation, and cowardice in the national councils, and advocated in advance of all others such measures as subsequently found embodiment and culmination in the fifteenth amendment, his highest hope, as he expressed it, was to live to see the day when this Government, fulfilling a high and glorious destiny, should be resolved into "a political paradise." What that bravest and strongest of the statesmen of our day meant was that he hoped to be spared to witness the time when the Government of the United States should show itself to be animated by the spirit of a real and not a pretended democracy; when even and exact justice should be supreme in all the land; and when, in short, the principles so solemnly enunciated by the Declaration of Independence should find a constant and conscientious application everywhere and always. Perhaps it is well for his peace of mind that he did not live to see these degenerate days. Perhaps it is for the best that the republican party in the House of Representatives lost its ablest, if not its only, leader before the time should come when he might see upon this floor, in the persons and presence of an opposition dominated by an unrepentant confederate majority, the temporary arrest of all his noble plans and a rude attempt at baffling his highest hopes and loftiest aspirations.

Mr. Speaker, I am not here to complain of the temporary restoration to power in the South of that element in the politics of that section of the Republic which made an attempt at secession a possibility, and which, foiled and frustrated and beaten by the blows of war into an unconditional surrender, has been far too successful in accomplishing by strategy, fraud, and intimidation what it failed to achieve in the results of a conflict of arms itself had invoked and which was decided upon battle-fields of its own selecting. I am not here to complain of this, nor yet of anything else which, however distasteful to those who have seen the halls and doors of this end of the Capitol differently guarded, has since December last been enacted upon this floor. I am not here to utter any regrets that my party does not now control the action of this House. I am not addressing myself to this body in a tone of despondency over a lost cause; but, rather, I take this occasion briefly to pass in review what a restored democracy has done for a country that it sought in vain to divide, and what, subsequent to that failure, it has sought to accomplish by the legislation and non-legislation of the past eight months.

In view of passing events it may not be altogether profitless to analyze what has been done here since December last; for it has been charged, with no little vehemence and earnestness of statement by a portion of the press, that the representatives of the late confederacy, assisted and sustained by their allies who come from northern constituencies, have sought to bring on, by disastrous impediments and perverse law-making, what the secessionists of 1861 sought to achieve



by armed revolt. The other side of this House, inspired by the spirit of the departed prophet of a new departure, came, bringing with them tawdry garlands devised by clumsy artifice to imitate the fresh and cheering flowers and fruitage which in an earlier day had garnished the tables of the republican party—came, professing to follow in good faith the advancing steps that had been taken by the political organization under whose rule the Union was saved and reconstruction accomplished. They came here professing a solicitude to let bygones be bygones; they came, heralded by an exultant press, as the popular champions by whose hands prevailing distresses should be relieved; they came here big with promises to alleviate the alarming condition of affairs which, as they have not failed to tell us, reaches into all parts of the country and is felt by all classes of people.

Mr. Speaker, I said I did not stand here to-day to complain that the democracy of the South had regained their ascendancy in this body; but I have taken it upon myself to recapitulate their acts and ask them, yea, and their constituents and the people of this great Republic, what beneficent acts they have done and what system of legislation perfected entitling them to supersede the republican party in the control of this Government.

If my constant attendance upon the sittings of this session have not been utterly profitless; if my careful and earnest observation of passing events has not been lacking in intelligence or perverted by something more blinding than mere party bias, there never has been since the formation of this Republic so shameful a disregard of the interests of the country, never so much precious time wasted, never such a flagrant perversion of the functions of this body from their legitimate channels as has been witnessed here since the opening of the Forty-fourth Congress. Leading gentlemen upon the other side, audaciously scouting the idea that this is a nation, find an eager following in the carrying out of a preconcerted scheme to demolish the republican party in the North as effectively as the White League does its work in abolishing negro suffrage at the South. Democratic orators, who, to gain place and power at the hands of northern constituencies, have done much less service in support of the institutions of the country, are only too eager to join hands with our deluded southern brethren to block the wheels of legislation by preposterous and worse than senseless, ay, malignant efforts at bringing every department of the public service to a stand-still upon the very verge of bankruptcy.

Go to the various Departments of the Government and witness their distress. Go to the Treasury, the War Office, the Postal Department, the Agricultural Bureau, the headquarters of the Signal Service, the Coast Survey, and learn of the lamentable condition to which they have been brought by the mischievous labors of the protracted democratic convention which sits on yonder side of this Chamber. Why, sir, when I remember that the noble Dome which lifts its comely form above this Capitol was reared even while the ears of those whose cunning hands were building it tingled with the startling boom of rebel guns; when I remember that even amidst the throes of a mighty war, when all the energies of this Government were needed to arrest rebellion and crush the shell of a southern confederacy, the industries of the free States were prosperously pursued; when I recall the sublime faith of the people of the North in the ultimate success of all they cared for most, even when the most they cared for was son or brother or lover, who was gone to the perilous edge of battle; when I bring to mind all these facts and conditions of the time of the great civil war, and then look at this most direful, this most humiliating condition of peace; the institutions of the country almost paralyzed; confidence shaken, and the stoutest-hearted depressed with doubt and wearied with anxiety, the contrast between loyal endeavor and its results and a sinister political purpose and its consequences forces itself upon me, and I confess that it seems only too apparent that those States which were so effectually coerced into remaining in a Union from which they sought violent separation are now afforded a most alarming opportunity to wreak a malignant and direful revenge upon the Federal fabric. They have injured the people of the North more by throttling the Government and tying it to the chain and ball of non-action than they ever hurt them by the very worst that was done by the allied forces of southern rebels and northern copperheads during the war. Look at the distress everywhere, where men and women must work or starve; and look at what has not been done by this Congress for the alleviation of that distress.

Far be it from me to attempt to divert attention from or belittle the importance of the efforts which have been directed toward the investigation of serious charges preferred against high officers of the Government and members and employees of this body. I am fully in accord with the spirit of that electric motto from the man of few words and mighty acts whose incumbency of the Presidency is a fitting sequel to his magnificent success in the field of war, "Let no guilty man escape." But should our eagerness in pursuit of guilt and dishonesty prevent us from laboriously and earnestly devising means to relieve the country from the troubles which beset our financial, commercial, agricultural, mining, and manufacturing interests? Shall the mines of Pennsylvania be permitted to fill with water? Shall the looms of Massachusetts remain idle, and—

The rusting turbine stand  
Beside the empty flume!

Shall the ship-builders of Maine be compelled to let their horny palms grow soft? Shall idle plows rest in weed-grown furrows? Shall

the sea-craft of New York rot in their docks and thousands of idle sailors be driven to ruin and desperation? Shall the machinists of Pittsburgh bemoan the coming famine and watch with saddened eyes their idle engines and their dead, cold forges? Shall the steamboatmen of the West and South cease from the pursuit of their calling and be discouraged into indolence? Shall nothing be done to lift an unbearable load of debt from a people who are too proud to talk of repudiation, but too hampered by embarrassments to be able to make their willingness to work prove their solvency? Shall President-making and slate-smashing and the emergencies and schemes of the democratic party longer prevent the doing or the attempt at doing something which shall help to take these heart-breaking loads from the backs of the people?

But there are sins of commission as well as of omission, positive acts as well as negative ones, with which I shall take occasion to charge the representatives of the democratic party assembled on this floor. Let me examine the record of the past eight months.

Mr. Speaker, for more than fifteen years the democratic party, in consequence of its manifold acts of disloyalty to the Union, has been kept out of power. During all that time the people have not dared to and would not trust it with the control of either branch of Congress or the executive department of the Government. But the head and front of its offending—the late rebellion—being somewhat softened by lapse of time, the loud and long-continued asseveration of its leaders that they were as patriotic and as devoted to the Union as any in the land, has at length given them the control of this House; and what has been the result? I leave it to their acts to show whether their professed love and devotion to the Union had any foundation in fact.

At the opening of this session of Congress the House of Representatives employed as doorkeepers, messengers, folders, &c., a large number of men who had been disabled in fighting the battles of the Union, and the very first act of this party was to dismiss these crippled soldiers and supply their places with men who had served in the confederate ranks.

The gentleman from Illinois [Mr. FORT] offered a resolution on this floor in substance that the House should retain in its service as doorkeepers, messengers, &c., such Union soldiers as had lost a limb in their country's service. And when I saw the scores of these one-legged and one-armed soldiers of the Union hobbling out of the Capitol and moving down Pennsylvania avenue, and saw a confederate soldier who had stood guard at the dead-line at Andersonville and shot down without mercy the brave but emaciated and starving soldiers of the Republic—when I remember that all the democrats on this floor voted against the humane resolution retaining these patriot soldiers in their places, I felt as though all their professions of loyalty were hollow, empty pretenses.

But they call themselves reformers. Well, sir, if to change the well-established modes and forms of legislation which have always existed in the Government, and to make that change in a manner which has been declared by the great lights even of that party as revolutionary, then they are reformers; for in the Indian appropriation bill they inserted a provision to transfer that Bureau from the Interior to the War Department and reported a bill to reduce the Army from 25,000 to 10,000 men.

In the legislative appropriation bill they inserted a provision reducing the salaries of the heads of Departments and of the poor clerks employed by them, whose wages had been fixed by law by this very democratic party as long ago as 1854, when their pay would purchase far more of the necessities of life than at the present time.

In the legislative and judicial appropriation bill they have repealed title 26 of the Revised Statutes in reference to the elective franchise, and have virtually repealed the eight-hour law, by increasing the number of hours of a day's work to ten.

And in the consular and diplomatic bill they have reduced the salaries of our ministers and consuls abroad, and I blush to say it, have made the ordinary legislation of the country the subject of a partisan caucus.

Heretofore, sir, the rules of the House have precluded the insertion of matters of general legislation in bills appropriating money to defray the expenses of the Government. A concise view of the situation on this subject may be found in a single paragraph of the report of the conference committee of the Senate:

The committee of conference on the part of the Senate submit that as anything like a just and intelligent adjustment of the salaries of the employees, clerks, heads of Bureaus, chiefs of divisions and of the subdivisions of the Executive Department, a service at once extended and diversified, must necessarily involve a critical and laborious examination into its details and duties, an undertaking quite impracticable in the last days of a session of Congress and unwise to attempt in connection with an appropriation bill, the committee therefore propose, as a concession, in order to meet the views of the House on the subject of appropriations for the salaries, that the Senate will recede from its amendments to the bill of the House in this respect, and remit the question of the revision and adjustment of the same to a joint select committee of four, two of whom shall be appointed by the presiding officer of each House, whose duty it shall be to revise and adjust the salaries, having due regard to a just public economy and the efficiency of the service, and make report of their doing therein on the first day of the next session of Congress. And provided, That any change made in said salaries by Congress upon said report shall take effect from the 1st day of July, 1876; and all persons who shall be affected thereby and who shall continue in the service shall be deemed to have accepted the terms hereof and acquiesced therein.

But the Senate cannot, having regard to its constitutional rights and duties as a co-ordinate branch of the legislative department of the Government, assent to the changes in the existing law that it believes to be pernicious as the price of secur-

ing appropriations necessary to carry on the operations of the Government under the laws as they now exist. And upon the same principle the Senate does not demand that the House of Representatives shall vote to appropriate any money, even to meet the legal obligations of the United States, that the House may feel it to be its duty to refuse; thus leaving to each House absolute independence in respect of acceding or not acceding to new provisions of law that it believes to be unwise.

And the committee further submit that the Senate will recede from its amendments to the House amendments on the reduction of the civil list in the Executive Departments of clerks and employes, and agree to any amendments which shall reduce the number one-half that proposed by the bill of the House, observing in such reduction the exercise of such discrimination as to the needs of the service in the several subdivisions thereof as a careful examination of the same may indicate.

I have said that this method of legislation had been denounced as revolutionary by the leading men of that party, and I make a brief quotation from a speech delivered in the Senate in 1856 by Senator Hunter, of Virginia:

Now, sir, what I said was, when either House sought to make the appropriation bills the means of forcing on another a measure which was obnoxious to it, in either alternative it was revolution itself; that is to say, a change of constitution; for it forced the other House to yield its constitutional privileges in order to get the Government along. It would be revolutionary if they failed to be coerced in this way and stopped the wheels of the Government to compel them to do it; because it is their constitutional duty to carry on this Government and respect the constitutional privileges of the other branch. I know votes can be brought up in which I have voted for legislative measures on the appropriation bills. I have always believed that it was irregular, that it was improper; but I have never advocated the doctrine of voting for it in one House when known to be obnoxious to the other. But even in regard to the tariff amendment of last year, it will be found by referring to the debate that I admitted then that if it was obnoxious to either House the other had no right to insist; and consequently when the Senate out of abundant caution struck it out, against my vote I admit, but struck it out in reference to some such contingency as this, the House acceded to it, and admitted the propriety of doing so. I only urged it upon the ground that it was agreeable to the House, where it passed almost without reference to party. If it were agreeable to the Senate too, and agreeable to all sides, I should not say there was anything revolutionary or improper in the act. But what is revolutionary, and what is improper, in my estimation, is for one House to attempt to use appropriation bills to force on the other legislation which is obnoxious to it, to make it give up its will, its views of propriety, its feelings of what is right. The distinction is obvious. I have never said that the mere act of sending this provision here, if agreeable to us, would be revolutionary in itself; but I say that if, after we have shown our dissent to it, and declared that it is not agreeable to us, they should insist on it, and say we must either take it or they will stop the wheels of Government, the act would be revolutionary in itself, because it is saying to us that we must give up those privileges which belong to us.

We have a right to judge in regard to this measure; and if they say we shall not judge, but must adopt their opinions or they will stop the wheels of government, I ask if the propriety of such a proceeding can be vindicated? There is only one way in which it seems to me it may be vindicated, and that is that the measure itself is of so much importance that it is justifiable to commit an act of revolution in order to carry it.

And yet this House undertakes to force the Senate to adopt this obnoxious and revolutionary method of legislation under the implied, if not the expressed, threat that otherwise the wheels of government shall be stopped for want of money.

But these reformers are men who took the back pay in the Forty-second Congress. The chairman of the Appropriation Committee, who is now so clamorous for the reduction of salaries of members of this House and the poorly-paid laboring men of the Government, was a member of that Congress, who not only voted for and took his back pay, but here in his place declared, not three years ago, that the pay of members of Congress should not be less than \$10,000 per annum; and the Speaker of this House, who was a member of the Thirty-ninth Congress, voted for and took the back pay and kept it.

These are the men to lead the reform movement in this presidential contest. It looks very much like "Satan rebuking sin."

They claim to be in favor of retrenchment. Let us examine this for a moment.

They have reduced the appropriations \$25,000,000, and in what way? By refusing to appropriate money to complete the public buildings now in process of construction, by cutting down the appropriation for rivers and harbors, and by curtailing the mail facilities of the country.

The result of all this, sir, will not be retrenchment. The public works will suffer great waste and these reductions will have to be made up in the deficiencies at the next session of Congress. This sort of retrenchment does no possible good. Its purpose is for political effect, and nobody will be deceived as to that. But they take it upon themselves to cry retrenchment, as though that word had never been heard in these Halls. Sir, the republican party have always been retrenching as much as was consistent with the public service. At the first session of the last Congress the appropriation bills were reduced \$26,000,000; but the public works and public interests nowhere suffered.

And where, I ask, will their retrenchment lead us?

It was asserted by the republican speakers (myself among the number) during the last campaign that in case the democratic party should come into power the rebel soldiers would be pensioned, and it will be remembered with what force and vehemence the orators and newspapers of the democratic party denied this assertion. But before this House had been in session four weeks the gentleman from Virginia, [Mr. HUNTON,] an ex-confederate general who commanded the rebel forces at Ball's Bluff, where the lamented Baker fell, reported a bill to repeal section 4716 of the Revised Statutes, which provides:

No money on account of pension shall be paid to any person, or to the widow, children, or heirs of any deceased person who in any manner voluntarily engaged in or aided or abetted the late rebellion against the authority of the United States

But notwithstanding the fact that they have cut down the appropriations \$25,000,000, how much have they reduced taxation? Not one dollar. The burden of taxation rests as heavy upon the people as before, and they have neither offered nor sought any legislation to relieve them.

The Committee of Ways and Means has not reported a single bill of a general nature during the whole session. Why this masterly inactivity on the part of a leading committee charged with the duty of originating all bills in relation to the revenue? Why has not something been proposed to relieve the people? Or how shall we account for the failure of the Committee on Banking and Currency to propose some means to settle this question of finance? All that has been done so far is to make provisions to carry out a law passed at the last session for issuing silver coin in the place of fractional currency.

I can see nothing but failure on the part of the majority of this House to meet the demands of the people. The whole session has been frittered away in matters foreign to the legitimate business of legislation. A drag-net has been hauled hither and thither all over the country to keep thirty-five investigating committees in something to do. These committees have ransacked the cradle and the grave, opened the doors of the penitentiary and the insane asylum for witnesses; they have been in session day after day, week after week, and month after month, with closed doors, taking hearsay testimony; and what is the result of it all? Why, we have found that one officer of the Government, the late Secretary of War, has accepted some thousands of dollars as a present from a man who held a post-trader-ship; but we have not been shown where Belknap even misappropriated one dollar of the public funds or made a single contract whereby the Government lost a single cent. Even his record is in the broadest contrast with that of the democratic party, which when last in power filched millions from the public Treasury, and, had such a thing been possible, would have stolen the country itself.

But, sir, I ask you to look further at the mode in which these investigations, as they are called, have been carried on. There has been exhibited an unscrupulous and wanton disregard of private rights and of the theory and principles upon which the Government is established. Private property and personal liberty have been invaded as though these, the dearest rights of American citizens, found no guarantee in the Constitution of the United States or the laws of the land, and as though the power of this House was absolute and supreme over all.

I submit it to the people whether they will indorse the action of the democratic party in its attempt to arrogate to itself the executive and judicial departments of the Government and make it purely legislative in form.

I commend the record in the case of Hallet Kilbourn to all law-loving and liberty-loving citizens, and especially to all the well-disposed and honest democrats of the country for examination and reflection. I would like to have them know that besides all the laws written and unwritten for the good and well-being of society there is still another which flings aside all idea of the right of private property and personal liberty, and that is the unexpressed and inscrutable will of this House. The law of violated majesty, borrowed from the jurisprudence of Tiberius, one of Rome's most cruel tyrants, and sought to be ingrafted upon the legislation of a free country—a law which snatches away the liberty and lives of the unoffending when they become hateful to tyrants, and which, if its use as exercised here in the unlawful imprisonment of an inoffensive citizen and a denial of the writ of *habeas corpus* shall be approved by the people of this country, will sooner or later fill this land with the sighs and groans of a nation of slaves.

On the subject of investigation I desire to note one fact, and that is the readiness shown by the republican party to have these investigations carried forward. No impediment has been put in the way; but on the other hand everything has been done that could be done to facilitate their progress.

In order to secure the conviction of the late Secretary of War the President took extraordinary means to bring the witness Marsh from the Dominion of Canada, whither he had fled to escape prosecution under the laws of the country and was safely lodged from the service of process. The Treasury, the Interior, the War and Navy, and in a word, the entire executive branch of the Government has been laid wide open to the scrutinizing gaze of these committees, and that too; when it was apparent to every one that they were acting without reasonable grounds to believe that frauds or abuses existed.

This willingness to be investigated does not find a precedent in the administration of the last democratic President, when it was charged that the collector of the port of Philadelphia had shown a most reckless disregard of the rights of the people of the State of Pennsylvania and had endangered and weakened our system of government by destroying all confidence and respect for those who administered the laws, and committed a series of acts amounting to felonies, subjecting him and his associates to prosecution and punishment in the Federal courts, and a committee of this House was appointed to inquire into the truth of those charges. Mr. Buchanan not only entered his solemn protest against the proceeding of this House in the appointment of the committee, but also proclaimed to the world that the whole power of the Executive would be exerted to protect those



who might choose to disobey the summons of the Speaker of this House, or, having obeyed, might refuse to testify before its committee, instead of exercising that power to forward the investigation, as the present Administration has done.

But, sir, investigations have been instituted among the honorable members of this House. And I have to say, in no criminating spirit, but with feelings of great regret, that they have not been characterized by forbearance, impartiality, magnanimity, and justice which becomes the elevated, dignified character of an American Congress. When the honorable Speaker of the House was charged with having received money for a position in the Army, although the testimony appeared to be of the most direct and positive character, the committee having the matter in charge acted and reported promptly and with a unanimity that did credit to the generosity and manliness of all its members. But when the gentleman from Alabama [Mr. HAYS] was accused of selling a cadetship, which accusation there is not one scintilla of proof to support, the committee retired and for more than five months have, for aught the House knows, slept and slept soundly on the subject. Of course the House is not aware of the cause, but it seems to me that it is pertinent at this time to inquire why this delay. The Speaker was acquitted on account of his previous good character and his long, valuable, and eminent services to the Republic. These considerations completely answered the positive statements of an unimpeached witness. Whether other members of this House have been less fortunate in securing a place in the public esteem I know not, nor is it necessary to inquire. It is sufficient to know that every member of this House is the peer of every other member, and that his character is worth something to his country, himself, and his family. And looking at the conduct of the majority of this House, it might not be too much to say that these investigations have been carried on for ulterior, unworthy purposes; but I do not say that; I leave that to the consciences of the committee having them in charge and of the majority of the House which approves them. And yet, to the judgment of the country, which will unequivocally condemn the spirit which has pervaded these investigations, the animus of which is "that if you are a democrat and guilty, the committee makes haste to report you innocent and the House to acquit; but if a republican and innocent, the committee makes the same haste to report you guilty and the House to convict you, or otherwise your character will be left to suffer under the curse of a groundless accusation." But I rejoice, sir, that in one instance at least this House has recognized that consummate virtue in American character which is above all pecuniary considerations.

I will not find fault, sir, at the expenditure of more than half a million of dollars in these investigations. I only leave the responsibility of this extraordinary expenditure to those who made it. There is where it belongs. But I accept the result with gratification and believe that as a member of the republican party I have reason to feel proud and rejoice in the assurance that these investigations have given us that the republican administration of to-day is the purest and best the country has had in the last fifty years.

But, sir, if the country is submitted to the kind of retrenchment proposed on this floor, what is to be its pecuniary condition? They propose in the manner already stated to reduce the appropriations \$25,000,000, or if you take the jocose statement of the gentleman from New York [Mr. COX] at Saint Louis for it, \$54,000,000. But, does any one think we shall have a balance in the Treasury, or if we consider the number of bills before this House providing for the payment of southern war claims can it be reasonably expected that we will have any money at all?

I beg leave to present a number of these bills for the payment of money to war claimants, amounting in the aggregate to \$1,562,269, which I will append to my remarks.

Some years ago a direct tax of \$5,153,886 was apportioned among the Southern States. Of this sum they paid \$2,492,110, leaving \$2,661,776 still unpaid. The Government has not pressed the payment of this balance, and now comes a proposition to refund that which has been paid.

It is proposed (H. R. No. 232) to pay \$68,072,088 to the cotton-tax lobby under the specious pretense of refunding it to the men who produced the cotton and actually paid the tax.

But still further it is proposed (H. R. No. 2364) to compensate parties at the South for the use and occupation of all property by the United States during the war of the rebellion, which it is estimated, after careful consideration, would amount to the sum of \$1,205,163,000.

And it is proposed yet further (H. R. No. 553) "to adjust and settle the claims of citizens of the United States for stores and supplies taken or furnished during the rebellion for the use of the Army of the United States, and for other purposes;" and a careful estimate of the sum which would have to be paid out of the public Treasury on this proposition indicates no less an amount than \$1,205,163,000, aggregating the enormous sum of \$2,482,642,133, a sum far exceeding the national debt, which we do not feel able at present to pay, and in comparison with which the proposed reduction is a meager sum indeed. And this is the sort of retrenchment they invite us to. On one hand they retain in the Treasury for a few months, to the prejudice of the public service, \$25,000,000, while on the other they scatter broadcast among persons who were never under a suspicion of loyalty to the Government more than \$2,000,000,000. And this they call retrenchment.

Can any sensible man believe in case this party shall be restored to power, with its present nominee for President, it will not allow and promise payment say of all these claims?

Mr. Speaker, in this brief, imperfect review I have sought to present some of the leading features of the record made by this branch of Congress under the guidance and promptings of a democratic majority. Are these, the first-fruits of democratic power, to be accepted as an earnest of what we may look for when a fuller restoration shall have come? Shall we accept these introductory acts as an indication of the policy and purposes which would characterize a complete return to power of that party which during the past memorable fifteen years has been the critic of republican action and a sympathizer with secession and rebellion?

Is it by such acts and omissions, such wastefulness in opportunity, such sham battles of retrenchment, and such burlesques of reform that the constitutional democracy expects to find favor and confidence in the eyes of the people of the United States? Have the effort and method and outcome, the inception and fruition of "investigation," brought about that condition of the public mind which finds assurance and relief in the election of a democratic President? Has the handling of our financial problems lulled the apprehensions which are somewhere said to exist in deprecation of a further continuance of "radical" rule? Has the work of democratic committees so fascinated public creditors and private claimants, maimed veterans and needy pensioners, unemployed mechanics and burdened tax-payers, that they are to be expected to urge the return to power of a party whose latest and most conspicuous achievement is to block the machinery of practical legislation and pervert this Capitol into a vast infirmary for the exercise of an experimental quackery in treating real and imaginary political disorders?

Can the people be expected to yearn for the decisive success of a party whose exigencies seem to demand that the machinery of this Government shall remain at a stand-still while statesmanship gives way to the purposes and pursuits of an all-pervading system of detective work? What has been done by the thirty-five standing and select committees of this House to illuminate and glorify the record of the democracy and crown that party with the bays of the victor and pronounce it the legitimate successor of the organization which has been in power during the past fifteen years?

Mr. Speaker, I am not of that school of politics which insists upon a denial of wrong-doing and a blindness to wrong-doers for party's sake. I am not in sympathy with that fashion of thinking which belittles the work and thought and result of political management; and I have no fellowship with those who are not pledged and bound to all measures of true reform and all acts compelling a full responsibility for and a rigid account of all official performances done in the name of the people.

But, sir, I should confess myself to be but too easily misled by false pretenses and too readily played upon by weak devices and transparent designs if I were to admit the legitimacy of the inquisitions which have so lamentably interrupted the exercise of the paramount functions and perverted the true purpose of this branch of the Federal Legislature. I should be obnoxious to the charge of weakly accepting the counterfeit for the genuine if I were to admit that the political jugglings of the past eight months upon this floor were anything better than a series of blunders begotten of a misdirected zeal and prosecuted by an over eagerness to blind the eyes of the country to the sins of the democracy by magnifying the shortcomings of an occasional republican delinquent and placing in a false light the acts and utterances of leading, trusted members of the party of national fidelity.

I should be far too credulous and gullible for the duties of a member of this body if I were to confess myself a believer in the effectiveness or pure patriotism of purpose of the sorry and preposterous make-shifts which have followed one another in such quick succession here, and which have, by their very extravagance and barbarous profusion, brought themselves and their authors into ridicule. Investigation has been turned into a jest; and accusations, by the very frequency, flippancy, and improbability of their statement, have ceased to command serious attention. And who shall speak in seriousness of the sorry mockeries, weak vacillations, and poor pretenses done on the other side of this Chamber in the name of retrenchment and reform? It is a marvelous metamorphosis which presents us the democracy in the attitude of a reformatory agent. In the gasping spasms which produced the professions of a new departure we had something of the phenomena of a death-bed repentance, but the ejaculations and exhortations of "reform," when coming with an unnecessary vehemence and fierce clamor from democratic lips, make one wonder at the apparent extremities of a party whose nurses and attendants are loud in their declarations of its lusty vigor and fast-accumulating strength.

"Reform" sounds strangely upon lips which shout their owners hoarse with plaudits to Saint Tammany and whose last effective sashem is a fugitive from justice. "Reform" has a strangely hollow sound when uttered by leaders whose lives can only find their parallels in the panic-stricken mariners:

They vow to mend their lives, but then they don't,  
Because if drowned they can't, if spared they won't.

Mr. Speaker, I hear the mustering of the White Leagues; I see the hideous disguises of the Ku-Klux Klaus; my ears are shocked with the

suppressed groans of the dying victims of massacres, which are cruelly misnamed "negro conspiracies," and the true story of which is curiously disposed of by the cry of "the bloody shirt." I see this Government suffering from such a sense of insecurity as it has not felt since the dreadful days of our civil war. I view with a feeling almost of dismay the incapacity of democratic hands to restore in any acceptable manner or comeliness of shape that which they would pull down and destroy. I see in the democratic mind a fast-waking dissolution of its dreams and preconceptions of its party's fitness and capacity to handle this mighty machine of government with efficacy and wisdom; and I see, in what has been so painfully evident here this session, the inadequacy of mere passion and political vehemence to deal with the material interests which, since the by-gone days when the democracy held the reins of power in this Government, have advanced with gigantic strides and been augmented as by a tenfold growth and multiplication of development.

It seems to me, indeed, sir, that the unwise acts and omissions, the mistakes and the unsatisfactory results of the efforts of the majority of this body cannot have been unheeded by the people, and cannot but have left the impression upon the popular mind that it is much too soon after the war of the rebellion to venture upon the experiment of replacing this Government in the hands of the democratic party. The party to which I am proud to declare a full allegiance is not perfect, not without faults or blemishes, but it has had the grand, educating experience and training of these days and years of growth and expanding power, and keeps closer to the advanced pickets of the army of empire and events than its halting, doubting, outpaced adversary; for it is the party of progress and the champion of a broader and more expansive civilization than can find a just appreciation among those in spite of whose efforts this country has reached its present magnitude and power.

Sir, it is my opinion that the American people have already determined that the democratic party shall, in the approaching political contest, again fail to regain the control of this Republic. The deliberations of the Cincinnati convention have resulted in the selection of candidates distinguished for their purity of life, unswerving patriotism, and admirable capacities, and into their hands the suffrages of the people will certainly intrust the destinies of the nation for the succeeding presidential term.

Mr. Speaker, I am but an obscure member of the grand and glorious party which has held power during a term of years and a succession of events, which, tremendous and fearful as they were in their advent and incidents, seem to have been necessary to the purification and salvation of the nation; but I am proud even of my small share of the glory of a party by whose efforts this Republic has been brought to see and celebrate, in becoming fashion, its centennial year. And in the year which begins a second century under the beneficent principles of the Declaration of Independence, I believe that I am one of a great uprising people upon whose heart of hearts are inscribed the words, "Nationality, Liberty, and Justice." I believe too fully in the intelligence, high endeavor, and loyalty of purpose of such a people to feel any apprehensions concerning the outcome of the contest which lies before us.

I believe that the result of the ballot of November next will be so decisive a verdict in favor of the justness and true conservatism of republican rule that even the inner and more honest heart of the wiser brethren of the democratic church will experience a sense of relief and security. I believe that this is the year in which the "lost cause" will be peacefully and decently buried among the illusions and fallacies of the agitated past; and that the few humbled and chastened democrats who may, under God's providence, be permitted to re-enter these Halls as members of a future Congress, will come here with contrition and humility of heart, and atone for the riotous caprices and crude blunderings of their infatuated predecessors.

The following are some of the more important claims which have been presented to this Congress that the ever loyal people of this country are asked to pay:

By Mr. CALDWELL, of Tennessee: A bill to pay the Christian church, Union City, Tennessee, \$1,800 for the appropriation of the church for Government purposes.

By Mr. HARALSON, of Alabama: A bill to pay the Medical College of Alabama \$50,000 for loss sustained by military occupancy.

By Mr. CLARK, of Missouri: A bill to pay the University of Missouri \$17,475 for damages done by soldiers of the Union Army.

By Mr. HOUSE, of Tennessee: A bill to pay Cooper's chapel, Tennessee, \$1,441.66 for use and occupation of said building by military forces of the United States.

By Mr. WILSON, of West Virginia: A bill to pay the Methodist Episcopal church South at Clarksburg, West Virginia, \$2,100 for the use and occupancy of said church by Union soldiers.

By Mr. FAULKNER, of West Virginia: A bill to pay the Methodist Episcopal Church at Harper's Ferry \$3,000 for the occupancy and destruction by United States troops.

By Mr. YOUNG, of Tennessee: A bill to pay La Grange Synodical College, Tennessee, \$34,300 for rent and destruction of building by United States troops.

By Mr. HOUSE, of Tennessee: A bill to pay Shelby Medical College at Nashville \$20,604.90 for rent and for property taken from said building during the war.

By Mr. HOUSE, of Tennessee: A bill to pay St. Cecilia Academy at Nashville \$4,250 for supplies taken therefrom by the Union Army.

By Mr. FAULKNER, of West Virginia: A bill to pay the Methodist Episcopal church at New Creek, West Virginia, \$1,000 for converting said house of worship into a bakery for Federal soldiers.

By Mr. TUCKER, of Virginia: A bill to pay Washington and Lee University (formerly Washington University) \$17,454 for injury done to said university in June, 1864.

By Mr. FAULKNER, of West Virginia: A bill to pay the Methodist Episcopal

church at Mill Creek \$1,040 for the use and abuse of said church by Federal soldiers.

By Mr. RIDDLE, of Tennessee: A bill to pay Cumberland University, Tennessee, \$10,000 for property appropriated by Union soldiers.

By Mr. FAULKNER, of West Virginia: A bill to pay the Baptist church of Charleston, West Virginia, \$1,400 for the conversion of said church to the use of the Army.

By Mr. GUNTER, of Arkansas: A bill to pay the Christian church at Fayetteville, Arkansas, \$2,464 for property taken from said church and used during the war.

By Mr. DUEHAM, of Kentucky: A bill to pay Madison Female Academy \$10,325 for damage done said institution by Union troops.

By Mr. BRIGHT, of Tennessee: A bill to pay the Presbyterian church of Murfreesborough, Tennessee, \$10,000, said church having been used as a hospital for sick and wounded Union soldiers.

By Mr. HUSTON, of Virginia: A bill to pay Fairfax County \$1,595 for timber cut from the poor-house tract of land by Federal soldiers.

By Mr. HOUSE, of Tennessee: A bill to pay Andrew J. Duncan, of Nashville, \$30,229 on account of property taken and used by United States military forces.

By Mr. HOUSE, of Tennessee: A bill to pay D. W. Glasie and others \$9,000 for occupation, consumption, and destruction of their property by the armies of the United States.

By Mr. HOUSE, of Tennessee: A bill to pay Mrs. Sarah A. Turner \$12,400 for damage done to property at her home in Rutherford County, Tennessee.

By Mr. HOUSE, of Tennessee: A bill to pay Elihu S. Marshall \$5,000 for property taken from him by the United States Army.

By Mr. HOUSE, of Tennessee: A bill to pay Martha A. Stevens, Tennessee, \$2,478 for claims against the Government.

By Mr. HOUSE, of Tennessee: A bill to pay Duncan Marr \$6,024 for wood and brick taken from him at Clarksville, Tennessee.

By Mr. BRIGHT, of Tennessee: A bill to pay William Park \$1,304.05 for property taken from him at Nashville, Tennessee.

By Mr. BRIGHT, of Tennessee: A bill to pay Thomas Hoard \$58,985 for supplies taken and used by the Army of the United States from the farm of said Hoard (the battle-ground of Stone's River) near Murfreesborough, Tennessee.

By Mr. ATKINS, of Tennessee: A bill to refund to the citizens of McNairy County, Tennessee, certain sums of money aggregating \$20,000, (estimated), the same having been a forced loan under a special order by Colonel J. W. Harney, Forty-eighth Illinois Volunteer troops, issued December 14, 1862.

By Mr. WELLS, of Mississippi: A bill to pay Mrs. Priscilla Burwell, of Vicksburg, \$6,250 for rent of property by the United States Army.

By Mr. WHITTHOUSE, of Tennessee: A bill to pay Walter Akin, Maury County, Tennessee, \$4,700.50.

By Mr. WHITTHOUSE, of Tennessee: A bill to pay A. J. Reed \$9,603.75 for forty-five bales of cotton taken from him by General Mitchell and General Draper, of the United States Army.

By Mr. DAVIS, of North Carolina: A bill to pay Amelia Ann Whitaker \$1,950 for stores taken and used by the United States Army.

By Mr. FAULKNER, of West Virginia: A bill to pay the county of Randolph, Virginia, \$1,200 for damages done the court-house, jail, clerk's office, roads, and bridges during the occupancy by Federal troops.

By Mr. WELLS, of Mississippi: A bill to pay A. Burwell, Vicksburg, \$3,000 for wood and lumber taken from his farm near Vicksburg.

By Mr. YOUNG, of Tennessee: A bill to pay Rosetta Freel \$3,100.70 for destruction of property by United States military forces.

By Mr. CALDWELL, of Tennessee: A bill to pay F. L. Sidebottom \$3,958 for property appropriated by the United States Army.

By Mr. ELL, of Alabama: A bill to pay William Stewart \$2,500 for rent and damage of furniture by certain officers of the Army at Mobile.

By Mr. WILSHIRE, of Arkansas: A bill to pay John Jackson \$3,665.80 for property taken from him by the United States Army while operating in the State of Arkansas.

By Mr. FAULKNER, of West Virginia: A bill to pay Carey Thompson \$2,000 "for property taken during the late civil war by the United States Army."

By Mr. TERRY, of Virginia: A bill to pay Philip A. Wellford \$1,150 for private property taken possession of by officers of the United States at Richmond, April 18, 1865.

By Mr. WILLIS, of New York, (democrat): A bill to pay Mrs. Sarah A. Gayle, Amity County, Mississippi, \$15,700 "for certain cotton and salt belonging to her and taken by the United States Government."

By Mr. WILLIS, of New York, (democrat): A bill to pay Horace D. Mead, of Yazoo County, Mississippi, \$24,267 for certain cotton taken from him by United States authorities.

By Mr. WILLIS, of New York, (democrat): A bill to pay James M. Watson, of Rankin County, Mississippi, \$9,100 for certain cotton taken from him by the United States Government.

By Mr. YOUNG, of Tennessee: A bill to pay John Morrison, of Memphis, \$4,600 for rent and damage of property by United States military authorities.

By Mr. YOUNG, of Tennessee: A bill to pay Elizabeth Burke, of Memphis, \$2,000 for loss of property by the United States military forces.

By Mr. YOUNG, of Tennessee: A bill to pay R. Duifey Frayer \$25,400 for rent of his cotton-shed and store-house in Memphis and for buildings destroyed by United States military authorities.

By Mr. ATKINS, of Tennessee: A bill to pay James A. Heard, of Memphis, \$10,000 for fifty-nine bales of cotton taken by the authorities of the United States from his farm in Clarke County, Mississippi.

By Mr. GAUSE, of Arkansas: A bill to pay the treasurer of Prairie County, Arkansas, \$30,000 for use and destruction of the court-house and jail by the Federal Army during the late war.

By Mr. MORGAN, of Missouri: A bill to pay Mary J. Josling and Lavinia Scott \$15,000 for their mill, woolen factory, and dwelling destroyed by Union soldiers under military orders.

By Mr. YOUNG, of Tennessee: A bill to pay Mrs. Sallie Garrett, of Tennessee, \$1,730.

By Mr. YOUNG, of Tennessee: A bill to pay Samuel Mosby, of Tennessee, \$26,951.74.

By Mr. YOUNG, of Tennessee: A bill to pay John Allen, of Tennessee, \$3,179.20.

By Mr. HARRIS, of Virginia: A bill to pay Mrs. Cello Stockton, of Virginia, \$1,950 for stores and supplies taken for the use of the United States Army.

By Mr. TERRY, of Virginia: A bill to pay George C. Wedderburn and J. S. Newberry \$1,400 for rent of farm and destruction of property by United States military forces.

By Mr. TERRY: A bill to pay C. C. Campbell \$6,000 for property taken by United States Army under General Stoneman.

By Mr. MOREY, of Louisiana: A bill to pay certain parties named \$60,366 for expenses in dredging the Southwest Pass of the Mississippi River in 1859.

By Mr. HOUSE, of Tennessee: A bill to pay the financial agent of Davison County, Tennessee, the sum of \$36,416.45, in full settlement of claim of said county on account of an occupancy by the United States troops of the county court-house.

By Mr. HOUSE, of Tennessee: A bill to pay Mr. H. Howard, of Tennessee, \$970 on account of property burned by the United States Army.

By Mr. HOUSE, of Tennessee: A bill to pay Randall Brown, of Nashville, \$1,600 for property taken by rebel forces.



- By Mr. YOUNG, of Tennessee: A bill to pay John T. Stratton, of Memphis, \$5,236.67 for use of cotton shed by United States Army.
- By Mr. YOUNG, of Tennessee: A bill to pay Joseph Tagg, of Memphis, \$3,500 for buildings destroyed by the United States military authorities at Memphis.
- By Mr. GUNTER, of Arkansas: A bill to pay Joseph C. Shaller, of Little Rock, \$3,284 for cattle and sheep taken by Union soldiers.
- By Mr. GOODIN: A bill to pay Nicholas White \$9,000 for the use and occupancy of his property at Newport News, Virginia, by United States Army.
- By Mr. O'NEILL: A bill to pay James Millinger \$19,893.75 for the use and destruction of his property at Nashville, Tennessee.
- By Mr. HUNTON, of Virginia: A bill to pay Ann S. McKenzie \$1,500 for property taken by Federal soldiers and destroyed in Fairfax County, Virginia.
- By Mr. DARRALL, of Louisiana: A bill to pay Mrs E. W. F. Chevis \$15,895 for property taken from her plantation by the army under command of General N. P. Banks.
- By Mr. DARRALL, of Louisiana: A bill to pay John B. Broussard \$850 for oxen, horses, and mules furnished the United States Army.
- By Mr. DARRALL, of Louisiana: A bill to pay Lesion Broussard \$4,000.25 for horses, cows, corn, and wood furnished the United States Army.
- By Mr. ELLIS, of Louisiana: A bill to pay Amelie H. Smith \$4,602 for fuel, cattle, and hogs taken from her by the Army of the United States in 1862 and 1863.
- By Mr. CALDWELL, of Virginia: A bill to pay A. E. Lunsford, of Lauderdale County, Tennessee, \$5,400 for eighteen bales cotton taken by the United States troops.
- By Mr. HANCOCK, of Texas: A bill to pay Santiago de Leon \$2,998 for mules, horses, wagons, and harness taken for the use of the United States Government at Brownsville, Texas.
- By Mr. McFAIRLAND, of Tennessee: A bill to pay James and William White for ninety-six bales of cotton taken in 1864, (estimated value, \$45,000.)
- By Mr. THORNBURG, of Tennessee: A bill to pay Hardin Scroggs \$235 for supplies furnished the Federal troops.
- By Mr. YOUNG, of Tennessee: A bill to pay Peter Targurana \$103,740 in payment for two steamboats taken by officers of the United States Government after the close of the war.
- By Mr. YOUNG, of Tennessee: A bill to pay Lucia Jameson, of Memphis, \$7,650 for rent of store-house occupied by United States authorities during the war.
- By Mr. DARRALL, of Louisiana: A bill to pay P. J. Francis \$9,622.78 for horses, cattle, hogs, and farming implements taken from his estate by troops under General Banks.
- By Mr. DARRALL, of Louisiana: A bill to pay Neville Broussard \$600 for beef, cattle, and horses furnished the Union Army under General Franklin.
- By Mr. DARRALL, of Louisiana: A bill to pay Mrs. Raymond Rice \$3,000 for cattle and horses taken from her and used by the United States Army under General Banks.
- By Mr. DARRALL, of Louisiana: A bill to pay J. P. Lewis \$1,000 for horses furnished the army under General Banks.
- By Mr. J. B. CLARK, of Missouri: A bill to pay William Morrison, of Lexington, Missouri, \$30,000 for foundry, stock, supplies, fixtures, &c., burned and destroyed by order of General Lewis Merrill, December 22, 1861.
- By Mr. YOUNG, of Tennessee: A bill to pay Reuben S. Jones, of Memphis, \$18,492.50. (No purpose stated.)
- By Mr. YOUNG, of Tennessee: A bill to pay Eunorilla J. Carr, of Memphis, \$1,804 for rent of her dwelling occupied by the United States authorities in said city.
- By Mr. YOUNG, of Tennessee: A bill to pay W. B. Hamlin, of Memphis, \$36,200 in full payment for property destroyed in Lee County, Arkansas, by Federal troops.
- By Mr. YOUNG, of Tennessee: A bill to pay Martha M. Parker, of Memphis, \$2,702.50 for rent and damages to property by United States authorities.
- By Mr. REA, of Missouri: A bill to pay Lawson Moore, of Missouri, for property taken, used, and destroyed by United States troops near Independence, Missouri, in 1864.
- By Mr. CLARK, of Missouri: A bill to pay Thomas B. Wallace, Lexington, Missouri, for destruction of dwelling-house and out-buildings by order of Colonel James A. Mulligan, then in command of United States forces. (No amount given.)
- By Mr. HANCOCK, of Texas: A bill to pay David C. Burnet, of Texas, \$2,500 for timber taken by the United States troops stationed at Fort Lincoln in the fall and winter of 1869.
- By Mr. CALDWELL, of Tennessee: A bill to pay W. W. Waggoner \$12,410 for certain quartermaster stores taken from him by United States troops at Will's Point, Tennessee.
- By Mr. CLYMER, of Pennsylvania: A bill to pay Andrew M. Sallade, of Atlanta, Georgia, \$17,705.40 for hardware and other goods furnished the United States Army.
- By Mr. DOUGLAS, of Virginia: A bill to re-imburse Essex County, Virginia, for loss of its jail destroyed by fire while occupied by United States troops; and appropriate \$3,020 for that purpose.
- By Mr. HUNTON, of Virginia: A bill to pay Louisa Summers \$10,568.75 for property belonging to her, taken and used by the United States Army near Anandale, Fairfax County, Virginia, during the late war.
- By Mr. MILLIKEN, of Kentucky: A bill to pay John M. Elder, of Kentucky, \$14,862.50 for fifty-three bales cotton destroyed by the United States Army, in the late rebellion, in Talbot County, Georgia.
- By Mr. YOUNG, of Tennessee: A bill to pay Charlotte M. Gaffler, of Memphis, \$400 for damage done her property by Union troops during the war.
- By Mr. HYMAN, of North Carolina: A bill to pay \$7,000 to re-imburse Jones County, North Carolina, for destruction of court-house by United States forces in 1863, "the said court-house not being then or at any other time used by the authorities of the (so-called) Confederate States for any purposes of the war."
- By Mr. YOUNG, of Tennessee: A bill to pay Mary Maguire, of Shelby County, Tennessee, \$1,500 "for property appropriated and destroyed by the United States Army during the late war."
- By Mr. WARREN, of Massachusetts: A bill to pay Mrs. Amelia A. H. Richards, of Fairfax County, Virginia, \$6,335 for stores and supplies taken for the use of the Army of the United States during the late war.
- By Mr. ELLIS, of Louisiana: A bill to pay Philip Rhor, of Virginia, \$1,600 for tobacco seized by the Federal Army in 1864.
- By Mr. CANDLER, of Georgia: A bill to pay John A. Richardson, of Fayette County, Georgia, \$10,000 for property taken and destroyed at Atlanta, Georgia, by United States troops.
- By Mr. HOUSE, of Tennessee: A bill to pay William Park \$1,304.05 for property taken and used by the Army at Nashville, Tennessee.
- By Mr. BRIGHT, of Tennessee: A bill to pay Ann F. James \$12,000 for the occupation and use of her property by the Army under General Rosecrans.
- By Mr. BRIGHT, of Tennessee: A bill to pay John E. Bauran, of the Rock City Mills, Nashville, Tennessee, \$16,392.16 for the use and occupation of his mills by the United States authorities.
- By Mr. BRIGHT, of Tennessee: A bill to pay Robertson Poppa and William L. Vance for one hundred bales of cotton, (estimated value \$50,000,) seized by the United States Army, on the Yazoo River, in 1864.
- By Mr. SINICKS, of New Jersey: A bill to pay James R. Thompson, of Virginia, \$3,285 for supplies furnished the United States troops during the late war between the States.
- By Mr. DIBRELL, of Tennessee: A bill to pay J. M. Bragg and others in Tennessee \$6,650 for supplies taken by the Federal armies.
- By Mr. DIBRELL, of Tennessee: A bill to pay Joseph J. Cummings \$1,200, "the value of his tannery buildings burned by soldiers of the United States Army, by order of General Elliott, near Sparta, Tennessee."
- By Mr. HOUSE, of Tennessee: A bill to pay Andrew Morrison \$4,645 on account of property used by the United States.
- By Mr. HOUSE, of Tennessee: A bill to pay James H. Charlton, Davidson County, Tennessee, \$9,412 on account of property taken from him and used by the Army of the United States.
- By Mr. HOUSE, of Tennessee: A bill to pay Georgetta E. Welkinson, of Nashville, \$5,000 "on account of property used in the construction of the defenses of Nashville."
- By Mr. WELLS, of Mississippi: A bill to pay A. Barwell \$75,000 for property destroyed at Vicksburg.
- By Mr. WELLS, of Mississippi: A bill to pay A. Barwell \$35,150 for one hundred and forty hogheads and fourteen boxes of sugar taken and appropriated by the United States authorities.
- By Mr. SCALES, of North Carolina: A bill to pay \$17,000 to Davidson County, North Carolina, on account of the destruction by fire of the court-house while occupied by United States troops.
- By Mr. SINGLETON, of Mississippi: A bill to pay Joseph R. Shannon, Louisiana, \$17,000 for the use of the steamer Shannon while employed in the military service of the United States.
- By Mr. HUNTON, of Virginia: A bill to pay Aquilla Lockwood, of Virginia, \$1,400 for the use and occupancy of his property for military purposes.
- By Mr. HUNTON, of Virginia: A bill to pay Septimus Brown, of Virginia, for damage to his real estate in the erection of forts, &c. (No amount stated.)
- By Mr. GOODE, of Virginia: A bill to pay \$65,000 to William and Mary College, of Virginia, "for destruction of their buildings and other property destroyed without authority by disorderly soldiers of the United States."
- By Mr. DIBRELL, of Tennessee: A bill to pay John Eastwood, of Gallatin, Tennessee, \$351.50 for moneys taken from him by the United States forces.
- By Mr. DIBRELL, of Tennessee: A bill to pay B. F. Martin, of Charleston, Tennessee, \$550 for the use and occupation of his warehouse, stables, &c., by United States troops.
- By Mr. YOUNG, of Tennessee: A bill to pay Edgar McDavitt \$2,180 for rent of his cotton-shed and storehouse in Memphis, Tennessee.
- By Mr. YOUNG, of Tennessee: A bill to pay Samuel H. Dunscount, of Memphis, \$5,236.67 for rent of his cotton-shed and storehouse by military authorities.
- By Mr. YOUNG, of Tennessee: A bill to pay E. T. Keel, of Memphis, \$333 for rent of his storehouse in Memphis.
- By Mr. BLOUNT, of Georgia: A bill to pay Antoine Poullain \$2,032.33 for the use of his dwelling and other property in Augusta, Georgia.
- By Mr. CARRELL, of Virginia: A bill to pay A. Bostwick, of Halifax, Virginia, \$750 for commissary and other stores impressed and taken from him by the officers of General Wright's corps.
- By Mr. BOOSE, of Kentucky: A bill to pay R. C. Smith, of Kentucky, \$3,322.86 for property destroyed by Federal gunboats and soldiers.
- By Mr. HUNTON, of Virginia: A bill to pay R. L. Rotchford, of Fairfax, Virginia, \$1,372.49 for the sale of his property under the confiscation act.
- By Mr. HOUSE, of Tennessee: A bill to pay John H. Galbraith, Davidson County, Tennessee, \$1,600 for property taken and destroyed by United States forces during the war.
- By Mr. CALDWELL, of Tennessee: A bill to pay James A. Bowling, of Haywood County, Tennessee, \$3,000 for property taken and used by the Army during the late war.
- By Mr. BLOUNT, of Georgia: A bill to pay Harriet B. Fulton, of Bibb County, Georgia, the sum of \$24,750 for horses, mules, cattle, &c., taken by United States troops.
- By Mr. CARRELL, of Virginia: A bill to pay Thomas B. Doe, of Danville, Virginia, \$6,390.34 for commissary and other supplies taken by the soldiers of the Sixth United States Army Corps.
- By Mr. ELLIS, of Louisiana: A bill to pay W. H. Togarden, of Mississippi, \$12,331 for damages done to his property by United States troops.
- By Mr. RIDDLE, of Tennessee: A bill to pay Hiram Lyles \$1,000 for a fine stable horse taken by General Gillem on his march through East Tennessee.
- By Mr. RIDDLE, of Tennessee: A bill to pay John O. Cage, of Tennessee, \$— for property taken by the United States troops during the war.
- By Mr. WARREN, of Massachusetts: A bill to pay Joseph Anderson, of Tennessee, \$5,000 for lumber used by the United States troops in building pontons, &c.
- By Mr. KNOTT, of Kentucky: A bill to pay Jacob Kaufman \$11,350 for goods and stores taken from him by the rebel General Morgan.
- By Mr. BLACKBURN, of Kentucky: A bill to pay O. Perry \$53,677 for wood and lumber taken and used by the military authorities of the United States.
- By Mr. STOWELL, of Virginia: A bill to pay P. O. Lipscomb, of Virginia, \$400 furnished the Sixth Army Corps.
- By Mr. WALKER, of Virginia: A bill to pay Susannah Cook, of Virginia, the sum of \$2,000 for property taken and destroyed by troops of the United States.
- By Mr. YOUNG, of Tennessee: A bill to pay John Pittman, of Memphis, \$6,300. (No consideration given.)
- By Mr. BROWN, of Kansas: A bill to pay Sylvanus Sanford, of Cass County, Texas, with interest since 1862, the sum of \$16,709.15 for seven hogheads of granulated sugar taken by United States military authority.
- By Mr. YOUNG, of Tennessee: A bill to pay James S. Leath, of Tennessee, \$2,000. (No consideration mentioned.)
- By Mr. MORGAN, of Missouri: A bill to pay Mary J. Josling and Lavinia Scott \$15,000 in full compensation for their mill, woolen factory, and store occupied and destroyed by Union soldiers.

#### A Review of the Financial Condition of the Country—Results of Radical Misrule.

### SPEECH OF HON. J. K. LUTTRELL, OF CALIFORNIA,

#### IN THE HOUSE OF REPRESENTATIVES,

July 29, 1876,

On the financial and political condition of the country.

MR. LUTTRELL. Mr. Speaker, we have arrived at the most important period in our national history. The people demand retrenchment and reform. They demand that we reduce the expenditures of Government; that we reduce taxation. Hundreds of thousands of the honest business men of our country are announcing their emancipation from party ties and enrolling themselves on the side of retrenchment and reform. This is the time when we, the servants of

the people, should manifest the most earnest and determined spirit of reform.

Sir, as one of the representatives of the people, I demand that the true condition of the financial affairs of the Government be exhibited, that the tax-payers of the country may know who are responsible for the fraud, corruption, and profligacy that exist in every Department of the Government. The cry of party misrule, extravagance, corruption, and unjust taxation is sounded in every household in the land. Only the other day the gentleman from Pennsylvania [Mr. KELLEY] informed this House that thousands of laboring-men were living on "garbage;" that men were demanding employment or bread.

Sir, who is responsible for this state of affairs? Every day we hear of some cause for complaint. Every day the report reaches us of some defalcation or embezzlement in the management of the financial affairs of the Government. We review the long list of defalcations, embezzlements, frauds, deceptions, corruption, and thieving on the part of Government officials until the hearts of honest men sink within them. Business is stagnated and depressed; our commerce is almost paralyzed; our sails no longer whiten the seas; our great ship-building interests are dead; the products, and even the mails of the country, are carried in foreign bottoms. The whole country feels the curse of party misrule. The workshops of the North are closed; the fields of the South uncultivated. Want stalks with hungry and deadly tread in our great cities. Thousands of working men and women are idle and in want of the bare necessities of life.

Who is responsible for all this? Who is responsible for the misrule, extravagance, fraud, and corruption that exist to-day? Who is responsible for the Black Friday job, that involved in bankruptcy and ruin tens of thousands of our business men? Who is responsible for the Sanborn-contract jobs that brought financial ruin to so many prosperous merchants of our country? Who is responsible for the Credit Mobilier and Contract and Finance-Company frauds, whereby millions have been taken from the people and the Government? Who is responsible for the Indian-ring steals, where the poor Indian and the Government are alike plundered of millions of dollars? Who is responsible for the straw-bid and postal-ring plundering of millions of the hard earnings of the people? Who is responsible for the increase of the civil list of officials or employes from 44,527 in 1860 and 47,375 in 1874, to 94,119 in 1875, and to 102,350 in 1876, at a cost of millions of dollars to the tax-payers of our country? Who is responsible for the system of espionage and oppression in the execution of the revenue laws, which robs the producer and enriches the official at the expense of the people's Treasury? Who is responsible for a system of taxation that crushes the productions of labor, enriches the importer, and maintains an army of cormorants in high places and official positions? Who is responsible for the spies and informers who infest every part of our country, who have desolated homes and dragged their inmates, cuffed, chained, and beaten, hundreds of miles on mere pretense or the accusation of such spies and informers who have been doing the bidding of the Administration for the past ten years? Who is responsible for the naval frauds and jobs, whereby the Government and the people have been plundered of millions of their hard earnings and our Navy placed under the control of political jobbing rings, while our brave and gallant naval officers are powerless to prevent this wholesale plunder? Who is responsible for the granting of hundreds of millions in bonds and money and nearly three hundred millions of acres of the public land to corporations, while hundreds of thousands of settlers and their wives and little ones have been robbed of their homes? Who is responsible for the oppression of the people by heartless railroad corporations and monopolies? Who is responsible for the establishment of hundreds of ports of entry where not a dollar of revenue is collected, although millions of the people's money is paid out to maintain officials for the same? Who is responsible for the fraudulent rings and jobs in the District of Columbia, whereby millions of dollars have been wrung from the people to enrich the ring thieves? Who is responsible for the state of desolation that prevails in South Carolina, Louisiana, and Mississippi? Who is responsible for the general misrule and frauds committed in the so-called reconstruction of the Southern States? Who is responsible for exempting the rich man's bonds from taxation while it taxes the poor man's salt and the widow's pension? Who is responsible for the increase of taxation? Who is responsible for the "crooked-whiskey" jobs, by which the people have been defrauded of millions of dollars? Who is responsible for the dismissal from the Government service of the honest officials who attempted to prosecute and convict the thieves who have plundered the Government and the people? Who is responsible for the sale of post-traderships and robbing the soldier? Who is responsible for the introduction of hundreds of thousands of Chinese coolies to compete with free labor? Who is responsible for the frauds perpetrated in the Pension Department, where the maimed and disabled soldiers of our country have been robbed of their just rights? Who is responsible for the jobs and speculations in the grave-stone contracts, by which most of the \$600,000 appropriated was pocketed by a set of plunderers? Who is responsible for all the corruption and robbery of the Government and the people by political officials during the past ten years? Who is responsible for the increase of the tariff from an average of 14 per cent. under democratic administrations to an average of fifty-

odd per cent., thereby compelling the toiling millions to pay 50 per cent. of their hard earnings for the benefit of the manufacturers? Who is responsible for often-repeated and violated pledges to the people? And who is responsible for the defeat of the democratic work of economy and reduction of sixty-four millions during the present session of Congress? Sir, the official records speak out in thunder tones. The records show that the leaders of the republican party are responsible. They have had the entire control of all the departments of Government and are responsible, and at the door of that party alone the responsibility must be laid. That party must answer to the people. It must plead to this indictment, and we will rest our case before the people upon the official record made by the republican party.

Sir, there is an uprising of the toiling millions from ocean to ocean, from the lakes to the Gulf, from center to circumference, demanding retrenchment and reform; demanding that a change in the administration be made. The mighty hosts are now arrayed for battle, to make the great fight for honest government. Upon their banners is inscribed the motto of every honest business, tax-paying, laboring-man in the land—retrenchment and reform!

Now for the record to sustain the indictment.

At the commencement of our national existence as a Republic our debt and expenditure were less than \$1 per capita. And so it remained for more than a quarter of a century. As property increased in value, and in just accordance with the wealth of the individual, the per capita amount of debt and expenditure increased, until 1861 the tax had reached the sum of \$2 per capita. Hence there was no general complaint of the burdens of Government, and no suspicion of dishonesty and misrule as of the present day.

I will now call your attention to the report of the Secretary of the Treasury, that you may see the amount of the receipts and expenditures of the Government from March 4, 1789, until June 30, 1875. By permission of my friend from North Carolina [Mr. DAVIS] I use a table prepared for him by the Treasury Department. I have compared the table with the report of the Secretary of the Treasury and find it correct in every particular:

#### EXTRAVAGANCE OF THE REPUBLICAN PARTY.

Economy and simplicity should characterize a republican government, and honesty and fidelity should mark the character of its public servants. In the earlier days of the Republic this was the case. From the 4th day of March, 1789, the day the Federal Constitution went into operation, down to June 30, 1875, the entire net ordinary receipts of the Government, exclusive of loans, amounted to \$1,337,043,618.27. Of this sum only \$1,841,953,353.62 were collected from the foundation of the Government down to 1861, and \$4,435,081,264.63 have been collected since that time. More than twice as much money has been collected from the people in fourteen years of republican rule than was collected in more than seventy years prior to their advent to power. Now let us see how about the expenses for the same period of time. From March 4, 1789, to June 30, 1875, the net ordinary expenses of the Government—as any one may see by adding the figures under the head of "net ordinary expenses," on pages 65 to 67 of the official report of the Register of the Treasury, made November 4, 1875—amounted to \$6,801,356,954.60. I have caused a table to be made, grouping these expenditures so as to show the amounts expended each four years of the successive administrations of the Government. Here it is:

Civil list and net ordinary expenditures of the United States Government, by periods of four years, from the organization of the Government.—(Condensed from the report of the Register of the Treasury for 1875.)

Dates.	Civil list.	Net ordinary expenditures.
From March 4, 1789, to December 31, 1792.....	\$1,138,032 03	\$3,797,493 20
For four years ending December 31, 1796.....	1,607,969 07	12,094,265 31
For four years ending December 31, 1800.....	2,329,413 08	21,348,311 19
For four years ending December 31, 1804.....	2,897,648 17	17,174,432 96
For four years ending December 31, 1808.....	2,616,772 77	25,998,355 72
For four years ending December 31, 1812.....	2,887,197 08	36,117,357 93
For four years ending December 31, 1816.....	3,768,342 61	108,537,086 89
For four years ending December 31, 1820.....	4,494,696 42	57,698,087 71
For four years ending December 31, 1824.....	4,665,694 11	45,665,411 84
For four years ending December 31, 1828.....	5,271,143 34	50,501,913 31
For four years ending December 31, 1832.....	6,084,307 73	56,270,440 62
For four years ending December 31, 1836.....	7,659,086 46	89,524,286 68
For four years ending December 31, 1840.....	9,899,496 58	131,729,801 16
From January 1, 1841, to June 30, 1845.....	11,508,546 46	104,360,113 10
For four years ending June 30, 1849.....	10,615,571 14	165,381,036 34
For four years ending June 30, 1853.....	14,214,458 90	165,681,040 48
For four years ending June 30, 1857.....	25,036,171 74	332,820,632 35
For four years ending June 30, 1861.....	25,180,671 39	361,165,809 64
For four years ending June 30, 1865.....	30,765,596 71	3,156,017,346 93
For four years ending June 30, 1869.....	66,412,391 61	1,012,420,302 14
For four years ending June 30, 1873.....	669,969,774 16	656,066,892 30
For one year ending June 30, 1874.....	17,646,253 38	194,217,210 27
For one year ending June 30, 1875.....	17,346,989 53	171,329,248 27

\* This includes \$7,200,000 paid for Alaska; also \$5,505,451.79 paid for mail service Post-Office Department.

† Total in six years of Grant's two terms \$1,921,813,950.91.

From March 4, 1789, to June 30, 1861, the entire net ordinary expenses of the Government amounted to \$1,581,706,195.34. From June 30, 1861, to June 30, 1875, fourteen years of republican rule, the net ordinary expenses amounted to \$5,220,340,759.35; and this is exclusive of the public or war debt; that is, fourteen years of republican rule cost the Government more than three times as much money as the whole cost of the Government from 1789 to 1861, a period of seventy-two years. But it may well be said that the ordinary expenses of the Government during the war were necessarily increased. That is true, and to make the comparison fair let



na take a period of ten years since the war; and I wish it to be borne in mind that I am now speaking of the "net ordinary expenses" of the Government, exclusive of the interest paid on the public debt, which amounted to over \$1,000,000,000, and the sums paid on the public debt itself, which amounted to many hundred millions more. From March 4, 1789, to June 30, 1861, the expenses of the Government—embracing a period of more than seventy-two years, covering the war of 1812, the Indian wars, and the Mexican war, and the purchase of Louisiana, the great North-western Territory, Texas, New Mexico, Arizona, and California—amounted, as I have already shown, to only \$1,581,706,195.34. The net ordinary expenses of the four years of Johnson's administration was \$1,012,430,202.14; six years of President Grant, \$1,031,213,950; making in ten years of peace the enormous sum of \$2,034,233,412.14, being nearly one-third more than all the expenses of the Government for seventy-two years, from 1789 to 1861, including the war of 1812, the Indian and Mexican wars; and if you add to the ordinary expenses of the six years of President Grant's administration the amount of principal and interest paid on the public debt, it will amount to \$4,008,438,461.82; that is, more than two and a half times as much as the entire expenses of the Government from March 4, 1789, to June 30, 1861. I have here the table showing the total expenditures under the administration of President Grant for six years, from June 30, 1869, to June 30, 1875, as will be seen from the official report of the Register of the Treasury, page 67 of the pamphlet report:

Year ending June 30—	
1870	\$703,155,391 43
1871	692,238,332 40
1872	682,360,760 17
1873	522,765,932 23
1874	724,897,160 26
1875	682,000,885 32
Making a total for six years.....	4,008,438,461 82

Total receipts from all sources for the same period of six years, (see page 62):

Year ending June 30—	
1870	\$696,729,973 63
1871	692,095,864 54
1872	679,158,419 73
1873	548,674,299 47
1874	744,232,331 30
1875	675,971,607 10
Total receipts for six years.....	3,996,880,464 77

#### FRAUDS.

But this is not the worst. I have shown from the official report that the net ordinary revenue collected by the Government, and which went into the Treasury since 1861, amounted to \$1,495,081,364.63.

Is this not a fearful array of figures and facts? I appeal to all candid-thinking tax-payers of the country. I would ask them to ponder well before they continue a party in power whose official record is steeped so deep in profligacy. Is there a business man in the land who would retain a clerk or business agent for a moment whose record and acts showed a similar profligacy and mismanagement? I think not. Nor do I believe that the intelligent tax-paying voter is willing to continue in power a party that has abused and betrayed the responsible trust reposed in it by the people.

Footing up the figures we find that the Federal, State, county, and municipal tax for 1860 amounted to \$4.94 *per capita*; and for 1870, counting interest on public debt, \$15, or over three times as much;

and in 1874, about \$18 *per capita*, increasing day by day; and to-day it has reached nearly the sum of \$22.50 *per capita*. And yet the leaders of the republican party inform the people that they are going to retrench and reform. Well, this is nothing new to the people. The Administration party gives us this stereotyped and oft-broken promise every year, but just as often fails to redeem its pledge. Talk about reform in the republican or Administration party by republican officials! It is mere talk. They have promised time and again to repent of their sins and reform, but "patience ceases longer to be a virtue." The people will no longer receive their confessions, but will set them aside, and re-instate in power a party who during seventy-two years of prosperous rule economized in every Department of the Government and protected the rights of the people with equal justice to all. I now call your attention to a table giving the expenditures of the Navy, War, and Indian Departments:

Year.	Navy.	War.	Indian.	Total.
1860	\$3,443,716 00	\$2,560,878 00		\$6,004,594 00
1861	4,387,990 00	2,630,392 00	\$315,750 00	7,334,132 00
1862	6,113,896 00	7,155,204 00	2,271,857 00	15,540,957 00
1863	11,514,649 00	16,472,202 00	2,991,121 00	30,977,972 00
1864	21,780,229 00	57,655,675 00	3,407,938 00	82,843,842 00
1865	30,932,587 00	42,313,927 00	6,632,462 00	79,888,976 00
1874	31,497,636 27	41,120,645 98	8,384,636 82	71,002,919 07

In ten years, from 1865 to 1874, the expenditures of the Navy Department have increased nearly 50 per cent., yet we have no Navy. But a few months ago when we had some trouble with the Spanish government in the Cuban waters, the Secretary of the Navy called upon Congress for \$5,000,000 additional appropriation to the thirty-odd millions appropriated for the Navy, (aggregating some \$38,000,000), to fit out vessels for the Cuban expedition. It was charged on this floor by my friend from New York, [Mr. Cox,] and not denied by the republican members nor by the Secretary of the Navy, that, although we had expended over thirty millions of dollars the previous year for the Navy, we then had not one vessel fit to defend the harbor of the city of New York. What becomes of the vast sum expended each year for the maintenance of our Navy? Sir, it is expended for political purposes. Look at the testimony taken by the Committee on Naval Affairs, and you will see that millions go into the pockets of rings and jobbers.

I propose to append a few tables to show you how the money is expended.

The United States steamer Lackawanna was built in 1862 at a cost of \$452,000 for material, labor, engines, and everything necessary to complete and fit her for sea. She was hauled on the dry-dock at Mare Island for repairs during the elections of 1869, 1871, and 1872, and the cost of these repairs by the political "ring" is \$582,012.17, or \$130,943.07 more than it cost to build her in 1862, when labor and material were much higher than in 1869 and 1872.

#### UNITED STATES STEAMER LACKAWANNA.

Cost of repairs at the Mare Island navy-yard, commenced August 24, 1869, and completed June 18, 1872.

Rate.	Total amounts.	Hull.	Spar.	Boats.	Blocks.	Furniture.	Tanks.	Water-casks.	Stores.
Shipwrights.....	\$158,334 04	\$149,789 79	\$6,587 88	\$1,600 32	\$249 99			\$6 06	
Laborers.....	38,338 73	35,837 78	1,459 02	840 61	35 46	\$69 86	\$96 00		
Mill-men.....	6,102 30	6,046 64		55 66					
Pattern-makers.....	1,483 37	1,483 37							
Cabinet-makers.....	2,148 36	137 70				2,010 66			
Deck machine-tenders.....	40 56	40 56							
Pastors.....	6,684 80	6,684 80							
Joiners.....	49,511 07	49,272 85				116 28			
Boat-builders.....	9,750 57	2,886 41	36 48	6,827 63					
Plumbers and helpers.....	8,277 66	7,517 52	245 58	426 70	84 86				
Smiths and helpers.....	51,452 74	40,460 89	7,145 57	1,258 32	2,587 96				
Iron-plate.....	10,883 02	7,733 13	446 94	903 03	1,199 92				
Painters.....	9,530 86	7,985 16	1,060 43	315 82	42 37	44 40	45 40	37 28	
Spar-makers.....	5,809 15	83 64	5,392 95	325 46					
Coopers.....	321 64							321 64	
Engineers and firemen.....	165 94	153 78	19 16						
Caulkers, reamers, and oakum-spinners.....	48,220 84	46,828 49	1,391 75						
Block-makers.....	7,395 97	1,897 15	354 91	73 18	5,150 49			10 24	
Total labor, (construction and repair).....	413,644 02	364,749 70	24,136 67	12,748 72	9,451 05	2,241 20	141 40	375 22	
Material.....	166,676 51	146,439 60	8,340 02	3,541 97	2,178 80	371 99		29 22	\$5,068 91
Bills from other Bureaus.....	1,491 54	1,151 57	128 45	93 98					117 54
Total cost.....	582,012 07	512,353 93	32,605 14	16,366 67	12,332 25	2,613 19	141 40	404 44	5,184 45
Days.....	96,251	76,065	4,886	2,725	1,918	496	50	81	

Cost of building in 1862, \$451,000, (material, labor, and engines complete.)

This was at a time when men were forced to wait in line and vote what was known as the "tape-worm ticket."

I will here notice another specimen of naval-ring jobbery. The United States steamer Kearsarge was built at Portsmouth navy-yard

during the late war at a cost of \$182,000. During the elections of 1871, 1872, and 1873, this vessel was placed on the dry-dock at Mare Island for "repairs," for which the ring received \$496,122.56. Now add the cost of equipment, sails, &c., engines, ordnance, &c., which

will increase that sum \$120,000, making a grand total of \$616,122; so that the excess of the "repairs" over the original cost of this vessel amounts to \$423,204. This enormous sum was used for the purpose of furnishing employment to hundreds of voters from "Barbary Coast," (the Five Points of San Francisco,) who were shipped to Mare Island for political purposes, to the exclusion of the honest mechanics of Vallejo and Mare Island, who refused to do the bidding of the ring. I here append a table furnished from the books:

*Cost of repairing United States steamer Kearsarge, at the Mare Island navy-yard, commenced July, 1871, and completed January, 1874.*

	Material.	Labor.	Bills.	Total.
Hull.....	\$127,764 81	\$312,747 74	\$440 15	\$440,952 70
Mast and spars.....	5,781 10	14,777 07	.....	20,558 17
Boats.....	3,141 29	12,900 80	.....	16,132 09
Tanks.....	53 55	171 96	.....	224 81
Blocks.....	1,736 79	5,695 08	.....	7,431 87
Water-casks.....	.....	37 09	.....	37 00
Furniture.....	885 54	3,097 80	.....	3,983 34
Miscellaneous.....	566 77	6,535 81	.....	7,102 58
Total.....	130,629 65	356,032 56	440 15	486,122 56

Honest mechanics were discharged and their places filled by political scalawags, having no knowledge of ship-building, although paid the highest wages. Hundreds of thousands of dollars have been expended on the navy-yard in my district (Mare Island) for the benefit of political rings.

The Navy Department has expended since the war \$260,000,000. Of this sum \$8,000,000 has been used for the pay of officers, crew, provisions, and clothing, for the support of the Naval Academy, Marine Corps, hospitals, and naval asylums; the balance, \$174,000,000, has been ostensibly expended for the maintenance of our Navy and improvements in the navy-yards. Sir, frauds are perpetrated and jobs put up by the political "ring" to such an extent that the people are annually plundered and defrauded of millions of dollars. The ring ships a cargo of coal to Mare Island, accompanied with instructions to the commandant to receive and receipt for it (ship measurement) at \$17 per ton. He refuses, as he has an oversupply and the price demanded is considered exorbitant. The next day the ring procures an order from the Department directing the commandant to receive the coal at ship measurement and receipt for it at \$22.50 per ton. Fifty thousand dollars' worth of stone is delivered at Mare Island for the dry-dock. The stone is inferior, not cut as required

by the specifications. Rear-Admiral Rodgers and Captain Phelps, of the Navy, condemn it. An order comes from the Department to receive it. They report to the Department that the stone is totally unfit for use. Peremptory orders are returned to receive the stone, and they are compelled to obey the orders of their superior officers; and the result is that the stone is piled up in the yard, worthless for any purpose whatever. A new contract is immediately entered into for other stone. Ship-loads of oak timber are shipped to Mare Island and piled up and exposed to the weather to rot, the Department paying nearly 50 per cent. in excess of the market price for the same. The ring sells iron to the Government for the use of the yard at eight to twelve cents per pound, while the same quality of iron can be purchased in the San Francisco market for from four to six cents per pound. And so it is with everything else purchased for the use of the yard. A politician by the name of Pinney was forced on the yard as paymaster's clerk. Paymaster Doran refused to take him, and left the yard rather than be forced to employ him. The result was the stealing of over \$1,000,000 from the Government and the people; and the political pet and favorite Pinney is now enjoying himself traveling in foreign climes. The Administration and leaders are careful to allow the culprit to escape to save themselves from conviction as accessories.

Another political clerk, Cushing, was detected in making false entries in the time-books, thereby collecting and pocketing a large amount of money. Being a useful politician or instrument in the hands of the "ring," he was admonished to cover his tracks, and was severely punished by receiving a fat office or appointment in the Oakland post-office. Mr. Speaker, I might dwell for hours upon the abuses in the Navy, but time will not permit; but before leaving the subject I wish to say that the commanding officer at Mare Island, Rear-Admiral John Rodgers and Captains Phelps and Shirley and their subordinates are as noble, brave, gallant, and patriotic officers as ever wore the blue. They are utterly powerless to prevent the wrongs that have been and are being perpetrated by the ring. They are not even permitted to designate their private clerks or secretaries, but the ring selects and causes to be appointed all the clerks, as it did in the case of Pinney.

#### RUIN AND BANKRUPTCY THE RESULT OF RADICAL MISRULE AND PROFLIGACY.

I have charged that through the misrule and bad legislation of the republican party ruin and bankruptcy has visited many a household during the past few years. I herein append an official table showing the result of Black Friday jobs, credit mobiler frauds, and Sanborn-contract steals, that have brought ruin to many homes and crushed the prospects, hopes, and energies of thousands of generous and noble hearts.

Official statement showing failures for 1870, 1871, 1872, and 1873.

States.	1873.		1872.		1871.		1870.	
	Number of failures.	Amount of liabilities.	Number of failures.	Amount of liabilities.	Number of failures.	Amount of liabilities.	Number of failures.	Amount of liabilities.
Alabama.....	62	\$1,337,000	73	\$1,501,000	96	\$925,000	31	\$728,000
Arkansas.....	17	307,000	20	317,000	15	95,000	4	22,000
California.....	70	1,500,000	80	2,434,000	89	4,273,000	69	2,423,000
Connecticut.....	104	1,452,000	70	2,370,000	77	3,915,000	68	1,820,000
Delaware.....	31	663,000	20	180,000	11	208,000	14	197,000
District of Columbia.....	13	240,000	8	30,000	9	158,000	5	25,000
Florida.....	10	258,000	15	179,000	2	11,000	7	91,000
Georgia.....	67	2,113,000	73	1,293,000	42	964,000	68	1,403,000
Illinois.....	329	7,109,000	185	11,470,000	172	5,830,000	214	5,919,000
Indiana.....	134	2,350,000	80	991,000	69	850,000	46	900,000
Iowa.....	141	1,917,000	91	876,000	69	797,000	67	732,000
Kansas.....	94	821,000	90	860,000	58	790,000	45	504,000
Kentucky.....	125	2,287,000	90	2,059,000	80	1,163,000	75	1,194,000
Louisiana.....	74	2,831,000	85	3,100,000	45	2,437,000	30	1,886,000
Maine.....	80	752,000	90	1,072,000	81	1,420,000	105	1,374,000
Maryland.....	63	1,220,000	75	5,045,000	61	1,194,000	58	1,383,000
Massachusetts.....	309	11,224,000	353	25,374,000	310	8,241,000	267	7,594,000
Michigan.....	248	3,917,000	175	2,720,000	125	1,321,000	168	3,227,000
Minnesota.....	61	944,000	43	407,000	37	471,000	43	365,000
Mississippi.....	79	908,000	53	591,000	30	355,000	24	296,000
Missouri.....	182	5,867,000	175	2,670,000	99	1,995,000	115	2,281,000
Nebraska.....	22	311,000	17	201,000	11	251,000	8	152,000
New Hampshire.....	27	513,000	37	447,000	21	122,000	40	261,000
New Jersey.....	119	2,422,000	196	2,036,000	72	507,000	93	1,121,000
New York.....	544	13,721,000	423	8,417,000	321	9,051,000	288	5,692,000
New York City.....	644	92,635,000	385	30,684,000	324	30,740,000	430	30,373,000
North Carolina.....	63	672,000	30	281,000	35	320,000	31	732,000
Ohio.....	321	11,320,000	226	6,569,000	189	4,077,000	266	7,936,000
Pennsylvania.....	578	31,445,000	445	9,422,000	357	7,110,000	418	10,962,000
Rhode Island.....	52	15,259,000	40	1,179,000	21	303,000	23	658,000
South Carolina.....	36	1,927,000	40	801,000	30	801,000	21	315,000
Tennessee.....	77	1,636,000	56	1,438,000	43	369,000	31	891,000
Territories.....	44	868,000	15	252,000	.....	.....	.....	.....
Texas.....	116	1,751,000	75	860,000	38	673,000	28	1,007,000
Vermont.....	21	350,000	30	219,000	25	242,000	35	537,000
Virginia and West Virginia.....	125	2,168,000	163	1,635,000	76	1,722,000	76	1,176,000
Wisconsin.....	81	1,574,000	66	1,127,000	61	386,000	74	1,107,000
Total.....	5,123	228,490,000	4,060	191,056,000	2,915	85,252,000	3,551	84,242,000



The following table will show more clearly the comparative results:

Year.	Failures in New York City.		Balance of United States.		Total.	
	No.	Liabilities.	No.	Liabilities.	No.	Liabilities.
1870 .....	430	\$90,573,000	3,121	\$67,669,000	3,551	\$258,242,000
1871 .....	324	90,740,000	2,591	64,512,000	2,915	85,252,000
1872 .....	385	21,684,000	3,684	100,372,000	4,069	121,056,000
1873 .....	644	92,635,000	4,539	135,864,000	5,183	228,499,000

From the above it will be seen that there were more failures by eleven hundred in 1873 than in 1872, with an increase in liabilities of \$107,443,000. Of this increase in liabilities New York City is chargeable with \$71,000,000.

In 1875, and including the six months ending June 30, 1876, there were eighty-one hundred and sixty-three failures, aggregating \$186,257,695. Of this number and sum the last six months the report shows forty-six hundred failures, amounting to \$108,415,429, with a corresponding increase for the month of July.

Under the mischievous legislation and misrule of the Administration but a few days, nay, a few hours, as in the case of the Black Friday job, were sufficient to put everything in disorder; to overthrow the plans and schemes of thousands of business firms, to cause a practical suspension of the monetary facilities of the entire country, and to totally destroy that confidence, without which in our day, trade and commerce is impracticable and cannot prosper.

The failures of 1873 and 1874 were more numerous than ever before known in any two years in the history of our country. It is equally true that there were some failures which for their prominence attracted universal attention, and that the liabilities of these few were more excessive than were ever before revealed in calamities of a like character in this country, and with rare exceptions in any other.

This is the language of the report. We find prospects no better in 1876. Four thousand six hundred failures during the first six months, nearly five thousand business firms of the country forced to close their doors within the first six months of the centennial year. What are we to expect? What can we expect if a party is continued in power that has totally disregarded its pledges for reduction of expenditures of Government, and that heeds not the demands of the people for economy and reform? Can such a party be longer trusted? Shall we confide another four years to the keeping of these sham reformers the destinies of 40,000,000 of people, or shall we demand a change and place the great reform governor of New York at the helm? The people demand a reduction in the expenditures of the Government and a reduction of taxation. Let us then try a change.

The report further states that—

There are throughout the country a large number of traders and merchants who cannot pay at maturity. There are many who are taking advantage of the times to force compromises upon their creditors, and the failures in the current quarter are likely enough to be numerous. (See pages 284 and 285.)

Reports come to-day that between two and three millions of spindles are standing still. Hundreds of other manufacturing establishments are standing idle. In the city of Philadelphia alone there are nearly one hundred thousand people idle, without employment. Similar reports come from all the great cities of the country. Mechanics and laborers are idle, southern fields and plantations uncultivated; no longer a market in the South for northern productions. A few years ago Pennsylvania found a good market in the South for her iron and coal; the farmers of the West a market for their wheat, flour, bacon, &c.; the Northeast a market for their mechanical and manufacturing productions; but by the misrule and bitter partisanship of the republican leaders the South is impoverished, business is stagnate, and the manufacturers of the North and East, the iron-dealers of Pennsylvania, and the farmers of the West no longer find a market in the South that was once so prosperous under democratic rule, and would be again but for the fiery appeals of politicians, who would fan the flames of passion and would have the business men of the North believe that the war was still raging in the South. Sir, we want peace and prosperity, that we may once more have a market in the South.

This is a sad comment, a sad prospect for the business men of the country in the centennial year. The prospects can only brighten, the clouds of financial gloom can only be dispelled by an uprising of the people in favor of retrenchment and reform.

The good news comes from all parts of the country, from every vale and hamlet, that the people are responding with hearty goodwill to the demands for retrenchment and reform. The great statesmen of the country—the Adamsons, the gallant Sigel, Trumbull, Doolittle, Dana, &c.—are enrolling themselves on the side of reform and doing service for the people and good government.

Our merchants and business men have been harassed by spies and informers. Never since the foundation of our Government have we had of spies in time of peace until the republican party assumed control of the Government; and now when peace reigns supreme throughout the land, we find almost every business house under the surveillance of a spy or informer. Last year the Government paid millions of dollars to spies and informers.

The following is a table from the official reports of the Government showing the amounts paid in New York and Boston alone. Had I time I would like to refer to the amounts paid elsewhere to spies, but my time will not permit.

Table showing in detail the amounts paid to spies and informers, collectors, naval officers, and surveyors of the port of New York.

The share under the moiety Sanborn-contract frauds paid to collectors:	
To Hiram Barney .....	\$64,607 29
To Simon Draper .....	35,014 55
To Preston King .....	33,166 94
To Henry A. Smythe, in two years .....	102,710 13
To M. H. Grinnell, in one year .....	41,304 60
To Thomas Murphy .....	53,907 54
To Chester A. Arthur .....	56,120 21

Total amount of collectors' share of spoils..... 408,921 26

The naval officers' share of the spoils, \$408,921.26; the surveyors' share of the spoils, \$408,921.26; the share paid to spies and informers, \$1,226,763.98; making a grand total paid to the spies and informers, collectors, naval officers, and surveyors (over and above their salaries) of the enormous sum of \$2,453,527.56 in the city of New York alone.

Paid to spies, informers, collectors, naval officers, and surveyors of the city of Boston, \$654,162.48; making a grand total of \$3,107,690.04 thus paid in the cities of New York and Boston.

The reports show that it costs \$6.57 in New York City and \$14.98 in Boston for each dollar of duty collected. (See statement of Senator DAWES in his speech delivered May 19, 1874, in the House of Representatives.)

This is a sad comment on the result of a republican form of government. I ask members of this House, I appeal to the people throughout the length and breadth of our country to show me when and where a democratic administration ever forced upon the business and tax-paying people of our country a system of spies—a system only fit for decaying monarchies and not for a free government; and yet we are, by a republican administration, forced to submit to it, and to pay for it too at an outlay of millions of dollars annually. Let the people arise in all their majesty and redeem the Government from financial ruin and degradation.

The great battle is coming. Merchants, farmers, mechanics, laboring-men, one and all, of every class, rise up; shake off this lethargy, demand and assert your rights at the ballot-box in November next for a complete change of administration.

The republican party have made many pledges to the people of retrenchment and reform. What pledge have they ever redeemed? Not one. The expenditures of Government have increased each year since the close of the war, and when the democratic members of the lower House of Congress respond to the demands of the people by cutting down the expenditures for this year \$34,000,000, a sum greater than required previous to the war for the entire expenditure of the Administration, the republican members on this floor and at the other end of the Capitol rally in solid phalanx against reduction; and here we have been for weeks making the people's fight for retrenchment, reduction, and reform. And if thwarted and defeated, the responsibility must rest upon the republican party.

The republican party have had control of every department of the Government since the close of the war. What measure have they passed that had for its object the welfare, interest, and prosperity of the country? Can any member of that party on this floor point to one measure or act passed for the benefit of the great masses of the laboring men and women of our country? I pause for a reply. The official record shows not one. Look into the statute-books. There you will read acts giving and granting to corporations hundreds of millions of dollars in bonds and a like sum in money; your hard earnings. There you will find several acts granting to these same soulless corporations nearly three hundred million acres of land, a territory double in extent that of the original thirteen colonies. To-day these gigantic land monopolies count their lands—given to them by the republican party—not by acres, but by square miles, far surpassing in extent anything the world has ever before known. And still this party, that has bartered and given away the people's money, bonds, and lands, again comes before us and asks another four years' lease of power, appealing to the people, too, whom they have betrayed and so shamefully misrepresented. If endorsed again, will they not feel encouraged to become still more reckless in squandering the money of the people and the public domain? And will they not quote it as a ratification of their nefarious acts?

Let us see what the republican party has done in the way of subsidizing corporations and monopolies by granting lands and money toward enriching a few at the expense of the many. (See the reports of the Statistical Bureau of the Treasury Department.)

The grants of land to the Pacific railroads alone, according to a statement of the Commissioner of the General Land Office, amounted to 124,000,000 acres on July 1, 1869. Subsequent grants, especially the additional grant to the North Pacific Railroad Company, will increase it to 140,000,000 acres. But a million acres is so easily said that these figures convey no adequate idea of their meaning. We shall comprehend them better by the aid of a comparison. A glance at the atlas shows that the area of France is 213,214 square miles, which, being reduced to acres, gives us 136,471,210 acres. Instead, then, of saying that the donations by the republican Congress to the Pacific railroads amount to near 140,000,000 acres, we may say that they amount to an area greater than that of France. Now, France has a population about equal to that of the United States. It appears, therefore, that if peopled as densely as France the territory given to these Pacific railroads would accom-

modate the entire population of the United States. If peopled as densely as England and Wales, the same area would accommodate over 1,000,000,000 inhabitants. The total donations to all railroads now amount to over 200,000,000 acres, and the aggregate amount of land held by other classes of corporations and monopolists cannot be less than another 100,000,000 acres; making a grand total of nearly three hundred million acres of the people's domain given by the republican party to land-speculating railroad corporations and monopolies, an area greater by 20,000,000 acres than the united areas of France, Italy, and the United Kingdom, which support an aggregate population of nearly one hundred millions of inhabitants, and nearly three times the population of the United States.

It is with reference to the well-being of such a population of future occupants that our land policy should be shaped. Any policy which loses sight of this fundamental object lacks the very first element of republican statesmanship. To adopt a different policy is to countermand God's edict, "Increase and multiply and replenish the earth," or else it is to inflict upon those who shall fulfill it the penalty of a perpetual tribute to the land monopolists and aristocrats. It is to give corporations a mortgage upon the life-long earnings of unborn millions, not through one generation alone, but through successive generations for all time to come. It is to steal the birthright of whole generations of men and women and condemn them in advance to come into the world under the monstrous necessity of bargaining with a privileged class, made so by the republican party, for the right to share with them the surface of the planet which the Creator has given as the common heritage of the human race. It is to plant with one hand the acorn whence shall grow the deep-rooted oak of aristocracy, and with the other scatter wide the seeds of pauperism and debasement. It is to destroy culture and the delights of the intellect to the masses, in order that a few monopolists may revel in useless luxuries and unwholesome indolence. It is to stunt the development of mind itself, and cheat civilization of its best elements of progress. It is to assassinate civil liberty. It is to commit a crime against humanity, at which the very streams and mountains and primeval forests of the New World might cry out in mighty reprobation.

And the people will hold the republican party responsible for the wholesale plunder of the public domain, and the giving the same to corporations and monopolies.

The republican party has given to monopolies a tract of land greater in extent than that of France and the German empire; double the extent of the original thirteen colonies. Talk of the landlords of Europe, of landlords of England and Ireland, with their down-trodden and oppressed tenants; of Russian lords and their serfs. Mr. Speaker, the misery of the European tenant is but as the gentle shower of spring compared to the terrible wintry storm of oppression which will deluge the working men and women of our country if the republican party is continued in power. The republican party has granted in money, bonds, and lands of the people to corporations a sum nearly equal to the cost and expenditures of our Government during seventy-two years under democratic administrations. Are not these startling and shameful facts; facts, too, that should arouse the working-men of our country to a sense of the impending danger that awaits them and their posterity? The republican party is responsible for all this. They had the entire control of the Government at the time when all these wrongs were perpetrated; and the republican members of this House and the Senate are to-day as one man making a solid fight against reducing the expenses of Government. I would that the laboring and business men of the country were here that they could see with what pertinacity and obstinacy the republican members fight our efforts at reduction and reform. Thank Heaven we have one consolation, namely, if the people cannot be here to see it they will read it in the CONGRESSIONAL RECORD.

#### INDIAN RING FRAUDS.

In 1860, when we had a larger number of Indians than we have to-day, the cost of maintaining them was but a little over \$2,000,000. In 1873 the cost of the Indian Department was a little over \$3,000,000, while in 1875 it cost over \$5,000,000, with a deficiency of nearly \$600,000; and yet the evidence shows that not over 20 per cent. ever reaches the Indian. The balance goes to enrich the "ring." The Indians, being plundered, become dissatisfied, go to war, murder our frontiersmen and their families; add the expense of the war, and it foots up annually to many millions of dollars. The Indians are defrauded by rascally agents and "rings," as the following extracts of testimony will show. Chief Fast Bear says in his testimony before the commission:

The beef-cattle that the Great Father has issued to me no doubt each steer has been weighed twice and called two; and some of them have been put away somewhere else, and I wish the Great Father would track them up.

Here is the testimony of Blackfoot to the commission:

We sell our lands and what do we get for it? We get a pair of stockings, and when we put them on they go to pieces. They get some old shirts and have them washed and give them to us; we put them on and our elbows go right through them. They send us tin kettles. We go to get water to carry to our lodges, we dip the water up, but it all runs out again. That is what we get for our land. The President and Congress sends money to us, but we don't get a cent of it. We do not know where the money goes. Every agent gets rich that comes here.

This is the character of testimony that comes to us from those who have investigated this matter. "The agents get rich."

Mr. Speaker, this is so. Although they receive but \$1,500 per annum in greenbacks, they get rich. I have never known within the last ten years but two agents that did not get rich, and those entered the Indian service poor and left it poor. The Indians were well cared for; everybody, both Indian and white, were satisfied but the "ring." There was no show for plunder; consequently there was much dissatisfaction with ring-jobbers, and Judge E. Steele, the agent and superintendent, was removed. The names of Steele and Fuller, agents in California and Montana, are loved and respected by the people and the Indians, but despised by the "rings." And why? Because they discharged their duty faithfully to the Government and the Indian and prevented the plundering of the appropriations by the "ring thieves." The testimony in another case shows that five thousand

pairs of garters were sent to one reservation for the Indian women, although there was not a pair of stockings on the reservation. There must have been comfort as well as pleasure for the young Indian maidens to appear at the war-dance dressed in a pair of red garters, encircling the limb or place where the stocking ought to be. The democratic members of this House passed the bill transferring the management of the Indians to the War Department. General Sheridan and other Army officers testified that it would be a saving of over \$10,000,000 annually to the Government. But the republican Senate defeated the bill. So much again for the boasted and often-made promises of economy by the republican party.

#### THE HIGH PROTECTIVE TARIFF AND ITS BURDENS OF TAXATION TO THE LABORING MEN AND WOMEN OF OUR COUNTRY.

Of the 40,000,000 people in the United States, not over 30,000 are engaged in manufacturing; consequently nearly 40,000,000 laboring men and women are compelled by enactment of the republican party to pay tribute at the rate of 50 to 80 per cent. to uphold and maintain twenty-five or thirty thousand manufacturers. There are about 8,000,000 persons over ten years of age engaged in farming in the United States. They are taxed on an average from 47 to 90 per cent. on all they buy, and very heavily on what they sell, for the upholding and encouragement of the 30,000 manufacturers in the country. The farmer pays this average percentage on his tools, his fencing, his household utensils, on nearly everything he buys. He pays a dollar for dry-goods, fifty cents of which goes to uphold the republican tariff and enrich the 30,000 manufacturers. He is compelled to sell at Liverpool prices, less the cost of transportation. That cost is increased in a thousand ways by the taxes on iron, steel, and by the other duties which will swell the cost of railroads and their management. He is taxed, therefore, on what he buys and what he sells. The farming army of 8,000,000 men are systematically bled at the rate of 50 per cent. for the benefit of the 30,000 republican, pampered, kid-gloved, aristocratic manufacturers. Of the thousands of articles used by the farmers and of the hundreds of articles mentioned in the tariff act, in no instance have I been able to find one exemption in favor of the farmer. No, Mr. Speaker, the farmer is at the mercy of speculators; he must bear the burdens of high tariffs and taxation.

The tariff under whig and democratic administrations averaged but from 14 to 22 per cent., while the republican tariff of 1875 averages from 50 to 180 per cent., the highest ever known in the history of any civilized country. This enormous tax was imposed and forced upon the people against the earnest protest of 8,000,000 farmers, hundreds of thousands of laboring-men, and the democratic members of both Houses of Congress. This unjust law was forced through Congress by the republican party, thereby enriching the few at the expense of the many; enriching 30,000 manufacturers at the expense of 40,000,000 people; thereby compelling the laboring poor to pay tribute to the rich. Is this in keeping with the pledges made by the republican party? No, Mr. Speaker, it is in direct violation of the solemn pledges made by the republican party to the people.

I will call your attention to the tariff or duty on a few of the leading articles used by the laboring classes. On printed calico we pay a duty of 71 per cent., on blankets we pay 75, and yet the duty on wool has been reduced, thereby aiding the importer and manufacturers who import Australian wool, while it impoverishes the wool-growers of our own country. On woollen cloth we pay 68 per cent.; on spool-thread, 74; woollen shirts and drawers, 91.

I have appended a table showing the duty paid on many other of the leading articles, as fixed by the tariff enacted by the republican party in 1875:

	Per cent.
Chloroform .....	150
Collodion .....	100
Magnesia, carbonate .....	63
Soda, acetate .....	68
Printed calico .....	51 to 71
Spool-thread .....	74
Cotton-yarn .....	58
Window-glass .....	54
Band and hoop iron .....	41 to 60
Round iron coils .....	49
Screws .....	60
Wire .....	52
Wire-rope .....	48
Wrought piping .....	71
Files .....	54
Machine-needles .....	46
Tig-lead .....	42
Marble, 2 inch .....	110
Marble, 3 and 4 inch .....	165
Paints .....	89
Whiting, (Paris-white) .....	180
Lead-pencils .....	58
Metallic pens .....	53
Silks .....	60
Starch .....	56
Varnish .....	71
Carpets .....	50 to 96
Woollen dress-goods .....	61 to 81
Blankets .....	71 to 95
Flannels .....	67 to 91
Woollen hosiery .....	51 to 79
Woollen manufactures .....	77 to 91
Woollen shirts and drawers .....	56 to 91
Bunting .....	177
Woollen cloth .....	68
Woollen hats .....	88 to 97
Woollen rag .....	80 to 102



Let the laboring-men of our country read and reflect before they cast a vote to continue a party in power whose whole course of action and legislation has been to enrich a few aristocratic manufacturers, while it impoverishes millions of the laboring poor of the country.

The republican party is alone responsible for this infamous tariff. It alone is responsible for the internal-revenue tax that impoverishes the producer by overloading and crushing our productions with internal-revenue taxes, creating an army of officials in the land to collect these taxes, all of which must be paid for by the people.

The farmer has an oversupply of fruit. If he distills it he is compelled to pay an internal-revenue tax as soon as the fruit is distilled, a tax that amounts to more than the spirits are worth, as the spirits are not marketable under two or three years, while the republican-favored importer imports the productions of a foreign country and the goods lie in warehouse two years or until the market price is satisfactory before the wealthy importer is required to pay duty. Thus by enactment the republican party has discriminated against the producers and toiling millions of farmers and vine-culturists of our country, and in favor of the importer and for the actual benefit of foreign producers.

In my State (California) we have nearly \$40,000,000 invested in fruit-growing and vine-culture. The action of the republican party has been to crush out our interests and favor the productions of foreign countries, and yet the republican party informs the country that it is the party of reform and equal justice to all, the laboring-man's friend, &c. Give us a tariff for revenue only. Under the present law the laboring man or woman goes to the merchant to purchase one dollar's worth of dry goods; 56 to 71 per cent. goes to uphold the manufacturer. The farmer goes to market to purchase a lot of wire or round iron; 58 or 71 per cent. of the amount he pays goes to the manufacturer. The wife buys some spool-thread; 71 per cent. goes to build up one of the 30,000 manufacturers. She wants a few sewing-machine needles; she must pay 46 per cent. She wants a sewing-machine; the merchant says it is worth from \$65 to \$105. "But," says the good wife, "how comes this? I see by the official reports that it only costs from \$6 to \$14 each to manufacture these machines, and they are shipped to Europe and sold for \$23 each. Why should I pay three or four or five times as much for an American sewing machine as the English, Irish, or French lady pays after it is shipped to Europe?" The answer is that the republican party have legislated to benefit the manufacturer that they may bleed the poor. The miner desires to purchase a suit of flannel or pair of blankets. He pays a duty of 91 per cent. So much for republican rule. This is a specimen of the fruit of the republican tree. It has proved very bitter fruit for the people, and very dear, too.

Leaving the question of tariff, I will now call your attention to another fruitful source of corruption practiced by the republican party during the past few years. Under the pretense of collecting revenue and enforcing the infamous tariff, hundreds of custom-houses and ports of entry have been established, not only along the sea-coast but all over our country. From Maine to Alaska, in every nook and corner along the coast, and on little streams where a Mississippi cat-fish would find it difficult to ascend. And when no other point along our sea-coast or bays could be found, ports of entry have been established away up in the interior; up in the Blue Ridge country; up toward the Rocky Mountains; by the snow-clad Sierras; far from ocean, lake, or river. These ports of entry or asylums for politicians number thousands, at hundreds of which not a cent of revenue is collected, although it costs the tax-payers millions of dollars to maintain them.

I now call your attention to the report of the Secretary of the Treasury for 1873, from the following extract of which it will be seen what it costs to support these ports of entry and custom-houses.

I wish to call attention to a statement showing the rates of customs duties at various ports during the fiscal year ending June 30, 1873, and the fiscal year ending June 30, 1875, together with the cost of collecting the same.

*Statement showing receipts from customs at small ports during the fiscal year ending June 30, 1873, and cost of collecting the same.*

Name of district or port.	Receipts.	Cost of collection.
Aroostook, Maine.....	\$13,117 01	\$11,730 00
Passamaquoddy, Maine.....	92,739 39	23,464 70
Machias, Maine.....	3,048 56	6,868 72
Frenchman's Bay, Maine.....	36 45	6,783 00
Castine, Maine.....	376 54	6,562 25
Waldoborough, Maine.....	7,356 81	10,114 17
Wiscasset, Maine.....	633 41	4,074 47
Bath, Maine.....	11,635 98	10,961 98
Saco, Maine.....	53 10	1,318 00
Kennebunk, Maine.....	6 39	1,879 00
York, Maine.....		368 39
Belfast, Maine.....	7,368 55	7,036 31
Bangor, Maine.....	16,636 99	13,196 00
Portsmouth, New Hampshire.....	23,961 78	10,312 47
Newburyport, Massachusetts.....	59,450 73	6,890 00
Gloucester, Massachusetts.....	5,602 36	19,911 00
Salem, Massachusetts.....	48,238 17	17,022 43
Marblehead, Massachusetts.....	588 14	1,657 79
Plymouth, Massachusetts.....	22,116 69	3,892 08
Fall River, Massachusetts.....	210,734 31	8,566 80

*Statement showing receipts from customs at small ports, &c.—Continued.*

Name of district or port.	Receipts.	Cost of collection.
Barnstable, Massachusetts.....	\$2,855 38	\$8,005 00
New Bedford, Massachusetts.....	40,867 96	10,810 50
Edgartown, Massachusetts.....	678 91	6,650 07
Nantucket, Massachusetts.....		1,826 28
Pensacola, Florida.....	78,875 47	20,070 00
Key West, Florida.....	242,918 51	16,529 34
Fernandina, Florida.....	1,630 94	6,216 15
Saint Mark's, Florida.....	592 16	7,540 00
Saint John's, Florida.....	281 63	6,341 63
Apalachicola, Florida.....	331 00	2,912 15
Saint Augustine, Florida.....		6,741 03
Bridgeton, New Jersey.....		849 39
Wilmington, Delaware.....	20,502 72	7,305 83
Annapolis, Maryland.....		2,246 64
Town Creek, Maryland.....		165 00
Crisfield, Maryland.....	28 81	4,555 00
Cherrytown, Virginia.....		4,729 32
Wheeling, West Virginia.....		1,649 70
Parkersburg, West Virginia.....		284 28
Vicksburg, Mississippi.....	1,100 81	550 00
Natchez, Mississippi.....	555 03	500 00
Bristol, Rhode Island.....	338 00	1,805 67
Newport, Rhode Island.....	2,350 82	7,462 12
Middletown, Connecticut.....	2,364 12	4,055 85
New London, Connecticut.....	33,100 03	6,790 92
Fairfield, Connecticut.....	18,500 42	4,254 25
Stonington, Connecticut.....	1,719 50	1,980 86
Port Amboy, New Jersey.....	692 65	7,913 43
Burlington, New Jersey.....	302 20	534 00
Newark, New Jersey.....	2,187 79	4,138 27
Georgetown, District of Columbia.....	6,584 64	7,010 28
Richmond, Virginia.....	28,217 42	11,479 80
Norfolk, Virginia.....	31,926 60	34,648 50
Tappahannock, Virginia.....	137 07	692 06
Petersburgh, Virginia.....	97,154 24	7,939 27
Alexandria, Virginia.....	4,555 06	5,503 63
Albemarle, North Carolina.....	80 08	5,873 21
Pamlico, North Carolina.....	2,137 39	7,964 65
Beaufort, North Carolina.....	121 90	2,391 72
Georgetown, South Carolina.....	422 70	2,889 50
Beaufort, South Carolina.....	37,181 29	3,961 00
Saint Mary's, Georgia.....	1,030 41	3,117 15
Brunswick, Georgia.....	5,708 42	7,805 00
Selma, Alabama.....	4,000 00	1,370 00
Pearl River, Mississippi.....	4 46	2,237 73
Sag Harbor, New York.....		2,739 14
Little Egg Harbor, New Jersey.....		4,324 00
Great Egg Harbor, New Jersey.....		1,656 58
Total.....	314,110 19	132,733 50

I also call the attention of the House to the report of the Register of the Treasury for 1875, that the country may see where we are drifting under republican rule:

*Custom-house collections for 1875.*

Name of district or port.	Receipts.	Cost of collection.
Bangor, Maine.....	\$754 72	\$10,725 96
Machias, Maine.....	1,873 96	1,873 96
Castine, Maine.....	1,113 00	4,473 00
Frenchman's Bay, Maine.....	4 40	6,124 00
York, Maine.....	30 28	373 00
Aroostook, Maine.....	5,925 33	6,889 18
Wiscasset, Maine.....	159 54	3,483 00
Newport, Rhode Island.....	433 51	3,483 58
Stonington, Connecticut.....	245 10	1,292 00
Dunkirk, New York.....	80 65	3,553 00
Little Egg Harbor, New Jersey.....	39 50	4,537 21
Great Egg Harbor, New Jersey.....	118 66	2,438 65
Wheeling, West Virginia.....	725 84	430 00
Albemarle, North Carolina.....	543 91	5,912 45
Beaufort, North Carolina.....	485 35	1,945 07
Georgetown, South Carolina.....	52 20	2,675 00
Saint Augustine, Florida.....	46 72	5,815 00
Key West, Florida.....	33 24	27,405 71
Saint Mark's, Florida.....	46 52	7,769 56
Apalachicola, Florida.....	56 34	2,178 62
Pearl River, Mississippi.....	587 48	7,925 14
Paso del Norte, Texas.....	13 29	18,920 00
Paducah, Kentucky.....	747 01	705 28
Evansville, Indiana.....	591 22	6,410 05
Burlington, Iowa.....	310 72	430 00
Alaska.....	405 89	13,018 59

If time would permit, hundreds of instances could be cited in the reports where not a dollar is collected, and yet the expense of keeping up these ports is enormous. But, with the reports before them, the republican party has still continued to maintain and keep up these dens of political pauperism, while the laboring people of the country are struggling day by day to pay the expenses. I find here in the reports of Mr. Secretary Bristow and his Register hundreds of ports where we are paying thousands upon thousands of dollars and not one cent of revenue is collected. For instance: At Frenchman's Bay, in the State of Maine, in 1873 we collected \$36.45 and paid \$6,783 for collecting it; in 1875 we collected \$4.40 and paid \$6,124 for it.

collection. At Saint Augustine, Florida, not a dollar was collected, yet the republican party paid its officials \$6,741.63. By reference to the tables it will be observed that at many other ports not a cent has been collected for years, although we pay large sums each year at these ports. At Paso del Norte, Texas, were collected \$13.29 and paid for collecting it \$18,950. For years and years the republican leaders on this floor have known of these things, and yet every year new ports of entry are established. For years they have known of this leakage from the nation's Treasury, and yet with all the power in their own hands they have made no move toward economy by stopping up the leaks. And still they tell us about reform in the republican party. Can they be longer trusted by an overburdened people?

#### WE MUST KNOW THE TREE BY ITS FRUITS.

We have seen its fruits during the past winter, during the past few weeks. Here we have seen huddled up in this Hall, with the temperature from 100 to 108, the democratic representatives of the people battling for retrenchment and reform, working day and night to reduce the expenses of the Government, to stop some of the thousands of leaks in the Treasury made by the republican party. We have fought for reform; the republican members of this House and of the Senate have opposed us. They are contending for the spoils; the democratic members are endeavoring to carry out the will of the people. *Reform* is our battle-cry. Let us stand by the people in this great contest. Talk about reform in the republican party and by republican leaders! Sir, I would as soon expect the Turk to abandon his harem and embrace the Christian religion, or the rushing waters of Niagara to reverse its course. Sir, we can expect no reform at the hands of the republican or administration leaders. When we urge reform on this floor, they shake their political Koran (the "bloody shirt") in our faces. Sir, like famished tigers they have tasted blood—the spoils, the hard-earned money of the people. They are trying to divert the attention of the people from the real issue, but, Mr. Speaker, the people are aroused. The economical, tax-paying business men of the country are aroused. They will not, they cannot be diverted from the real issue. The people are with us now. Let us stand by them in the work of retrenchment and reform.

#### ANOTHER BROKEN PROMISE.

The republican leaders have promised to reduce the number of civil officials and thereby decrease the expenditures of Government. Here is a book of twelve hundred and eleven pages and another of some six hundred and fifty pages, entitled the registers of the civil list of officials, &c., published and printed by the Department in pursuance of sections 503 and 510 of the Revised Statutes, and commonly called the Blue Book. Here is to be found the name of every Government official; and I here append a statement of the number of employés borne upon the civil list of the United States from 1859 to 1875, inclusive, as compiled and shown in the official registers:

Number of civil employés under—	
Mr. Buchanan's administration	44,577
Mr. Lincoln's administration in 1861	46,049
Mr. Lincoln's administration in 1863	47,375
Lincoln's and Johnson's administration in 1865	53,167
President Johnson in 1867	56,113
President Grant in 1869	54,207
President Grant in 1871	57,605
President Grant in 1873	66,600
President Grant in 1875	94,119
President Grant in 1876	102,350

And the Lord only knows what it will be before the expiration of the year 1876.

These figures speak louder than words. They will appeal to the pockets of every business man in the country, to every tax-payer in the land, and when my friend, Mr. RANDALL, of Pennsylvania, (the chairman of the Committee on Appropriations,) and his democratic colleagues reported the several appropriation bills reducing the number of civil officials, the republican members on this floor assailed the proposition in the most violent manner. Their rage and fury knew no bounds. They hurled their fury upon the head of these steadfast friends of the people, but yet they stood, and stand to-day, firm as a rock; and I say to Mr. RANDALL and the democrats on this floor that the people expect us to stand as firm as the Macedonian phalanx. There is no necessity for 100,000 civil employés. Mr. Lincoln in time of war could get along with less than half the number. Why this great increase of nearly thirty thousand within the past one or two years? Sir, it is to give employment to the henchmen and time-serving political paupers, to fill up the custom-houses and useless ports of entry, where not a dollar of revenue is collected, to give place and position to political trimmers and election manipulators. Will the country longer submit to be misgoverned, or will it support reform measures and reform men?

In addition to this terrible array of facts the record of the republican party shows that it has constantly disregarded and violated the Constitution of the country; that it has used the Army and Navy for political purposes; that the appropriations made for the support and maintenance of the Navy have been used for carrying elections at the several navy-yards of the country, as the testimony just published will show.

The Army has not been used for the protection of our frontier settlements as contemplated by law, but our Texas border, Arizona,

New Mexico, Montana, Wyoming, and other frontier States and Territories have been left to the raids of the Sioux, the Comanches, and the Apaches, who have plundered, murdered, and scalped thousands of the families of the hardy settlers, while the soldiers of the country, paid for by the people, are kept stationed in the Southern States to carry elections for the promotion of such carpet-baggers as Packard, Kellogg, and others. Where is the Army to-day? On the frontier? No.

The following statement will show the present location of the Army:

Total number of troops in the regular Army	26,978
Number of troops stationed in Southern States	7,052
Number of troops at recruiting stations	4,216
Troops in northern forts and posts	4,869

A few thousand are located in the Western and Pacific States, while the gallant Crook is sent to quell the murderous Sioux with but a handful of men. He reports at least five Indians for each soldier. Where is the gallant Custer and his brave followers? Sir, he was sent to fight the Sioux with but two hundred and sixty-nine men. That brave officer and his heroic little command were massacred to a man. Their mangled, mutilated forms lie upon the fields of the Yellowstone, while their comrades in arms, who would gladly have gone to the front with them, are kept in Louisiana, Mississippi, and other Southern States to influence elections. Sir, the blood of Custer and his little band should be charged to the account of your Packards, your Kelloggs, your Amesess, and other republican leaders, and the people will hold them responsible for it.

Another fraud and leakage not enumerated is the printing ring of the District of Columbia. Millions have been squandered in this way to enrich the ring. The Government Printing Office has managed to use over \$20,000,000 during the past few years. The testimony of experts before the committee shows that from 40 to 50 per cent. of the money appropriated for public printing has been stolen by the ring, and the Superintendent, Clapp, is handed over to the grand jury for indictment, not by the republican party, but by the democratic House.

Mr. Speaker, I would ask the republican members of this House to point to any department of the Government that is not corrupt. Are they punished? Were the post-office thieves and straw-bidders punished, or even prosecuted? No, sir. Bristow made war upon crooked whisky thieves, and employed Henderson, Dyer, Yaryan, and others to aid him. These good servants of the people were all dismissed, and Mr. Bristow was forced to retire to private life in the blue-grass regions of Kentucky. Ex-Senator Pratt, of Indiana, being ambitious to do right, undertook to punish whisky and revenue frauds. He, too, is invited to retire to private life on the banks of the Wabash. So it goes. "Let no guilty man escape." That is, let no man escape who attempts to crush out fraud. The same administration leaders who stand by the Administration in the dismissal of the good and true servants of the people met in Cincinnati and again thwarted the wishes of the people and placed before the country a candidate who will simply be an automaton in the hands of the men who have been and are to-day the apologists of Kellogg, Warmoth, Packard, Babcock, and other depredators. The action of these political confederates at Cincinnati means but one thing, namely, the continuation in power of the very rings who have plundered the people. It can mean nothing else.

Take the condition of the Southern States. Texas, Arkansas, Alabama, North Carolina, Georgia, Tennessee, Kentucky, and the Virginias are prosperous under democratic rule; but how is it in Louisiana, South Carolina, and Mississippi? Bloodshed, riot, plunder, and robbery have been the order of the day. These States have been under republican rule. Now that Mississippi is democratic no complaints are heard from the people. The State government is managed to the satisfaction of the people, and prosperity is fast returning to all classes. The ring plunderers are dissatisfied, and why? Because under democratic administrations there is no opportunity for plunder. Democrats punish fraud, while the republicans have let the Pinneys and Babcocks and hundreds of others go free; and to-day the republican members on this floor are fighting as one man to keep the military in the South while our kindred are being murdered by savage Sioux in the West.

When we demand economy, when we expose the extravagance of the Administration, we are met by the cry of Ku-Klux, the war, another rebellion, &c. Gentlemen, these dodges will not do. You may evade the scrutiny of an overburdened tax-paying people for a while, but you cannot divert their attention from the fact and record that you have and are to-day opposing economy and reduction in the expenditures of the Government, and that you are the apologists for those who have plundered every department of the Government. Mr. Speaker, the day has come when the people demand that their Representatives shall do their bidding.

The republican leaders and politicians have added to the "bloody shirt" the school and church question. They say the public schools must be maintained. Now, Mr. Speaker, who is opposed to the public-school system of our country as established years ago under democratic administrations? What national, State, county, or municipal convention, what legislative body, has spoken against our glorious public or free school system? Not one in all the land. No, not one. Can the republican members on this floor point to any party or



people in the land that have taken, or would take, any steps to injure or break up the public schools? Not one. It is another false issue, another attempt by republican leaders to divert attention from the real question in issue. Gentlemen, in common parlance, "it's too thin." We are all—democrats, republicans, liberals, and independents—for the great free-school system of the country; we are all for the great cause of education.

There is still another dodge to divert the attention of the people from the record. In the last annual message of the President he spoke of "priestcraft," &c. No sooner had Congress assembled than the republican leaders took up the cry and attempted to make political capital out of it, and we have heard murmurs coming from the politicians that the Catholics were overriding the country, that Catholicism must be put down, &c. The republican party made the issue in Oregon last fall against my friend Mr. LANE, and were beaten. I understand that they are trying to make this issue in Ohio this fall. The Cincinnati nominee is a little "Hayes'y" on the subject, and some of his followers met in national convention at Philadelphia on the 4th and 5th of July, 1876, the centennial year, and resolved as follows:

1. That we are in favor of Protestant America being ruled and governed by Protestant Americans.
2. That we will support none but Protestants for office.
3. That we will support and instruct our friends to support and vote for Hayes and Wheeler for President and Vice-President of the United States. (See report of proceedings of convention in the New York Herald, July 6, 1876.)

This is the "raw head and bloody bones" that is to accompany the "bloody shirt." Here in the great centennial year, in the city of brotherly love, at the national exhibition of the world's industry, there in the city that gave birth to liberty and our national existence, where invited guests from every nation had assembled to exhibit their handiwork and join with us in celebrating our nation's birthday, with our banners streaming from every house top emblazoned with golden letters, "Welcome to all the nations of the earth," when all were enjoying the fraternal love and blessings of liberty and the free air of free government, a Government founded on religious liberty and equal rights—there and at that time, when all true patriots and liberty-loving people should have been offering thanks to Almighty God for the blessings He had vouchsafed to the people of the whole country, there and at that time a convention of leaders and workers of the republican party, representing twenty-nine States, assembled in the interest of Hayes and Wheeler and adopted a series of resolutions as herein quoted from the report of the proceedings, resolving that none but "native-born Protestant Americans should govern America," and that Hayes and Wheeler be voted for for the high offices of President and Vice-President of the United States.

How was it in the Catholic countries? Side by side on the same page that gives us the report of the proceedings of this convention or branch of the republican party, we find the following telegrams:

That thousands of Germans were celebrating our nation's birthday in Germany.

That the people of Switzerland celebrated the day, and that it was observed as a great holiday.

That 30,000 Catholic Irishmen marched in procession in the city of Dublin.

What a contrast. Catholics and Protestants of Europe alike, side by side, rejoicing, sending up glad hallelujahs to heaven for the continued prosperity and religious liberty of America; while republican politicians in America—in the very birthplace of liberty—were resolving not only against civil and religious equality, but against nationality and birthright. God bless old Ireland and Irishmen. God bless the noble, liberty-loving Germans and Swiss. Long may they live to set an example to teach these republican politicians the true principles of patriotism and civil and religious liberty. Sir, if history be correct, the Mayflower had streaming from her mast-head when she touched Plymouth Rock, a banner upon which was inscribed:

This is the New World, the land of religious liberty.

From that sentiment the Catholics in the colonial days of Maryland protected all in the exercise of religious liberty and the worship of God. From that sentiment Thomas Jefferson wrote the sacred clause in the Declaration of Independence that guarantees to every human being the right to equality and the worship of God according to the dictation of his own conscience. From that sentiment the article of the Constitution of the United States was adopted—adopted and ratified by the people—which guarantees and protects every human being in the land in the enjoyment of the free exercise of religious liberty. Who is here that would strike that clause from the Declaration of Independence? Who is here that would strike out that article from the Constitution? Do you republicans mean this, or are you only bringing it forward to divert the people from the real issue, that you may for a little while longer hide the cloven foot of corruption? To whom are we indebted for our nationality? To whom are we indebted for the liberties we enjoy to-day? Sir, history answers the question. We are indebted to Catholic France; to her brave Catholic soldiers, led by the patriot, Lafayette. Did Washington and the patriot Army at Valley Forge, when the last ray of hope had fled, resolve that no Catholic should enter the Army to strike for liberty and religious equality? Did they refuse to receive the aid

and support of Lafayette and his Catholic legions? No, sir; the old Continentals were patriots. Every one worshiped God as he wished. Each one was fighting for this very principle: the right to "live and let live."

Who stood in the front ranks in the late war for the Union? The Protestant and Catholic stood side by side in the thickest of the battle. No citizen was more patriotic and ready in giving service to the country than the Catholic. Then republican and democrat, foreign and native-born, Catholic and Protestant, stood shoulder to shoulder in the march to victory. No sound of foreign-born or religious proscription was ever tolerated by the great and patriotic Lincoln or his predecessors. That has been left to the centralized power of the present administration party, which stands ready to manufacture and accept any means, however vile, that will perpetuate its ascendancy indefinitely to rob the tax-payer and industries of the country.

Would the republican party establish a national religion of Baptists, or a national religion of Methodists, Presbyterians, Episcopalians, or Latter-Day Saints? Carry into effect this last dogma or principle of your party as adopted in the convention at Philadelphia, and it is only a question of time when our country and land will be deluged in blood shed in a religious warfare.

Will the people ratify your action and elect Hayes and Wheeler, who promise no reform, no reduction of expenditures, but are backed by a party the leaders of which deny to Americans the constitutional right to worship God according to the fundamental laws of civil liberty? Backed by a party who deny to the gallant, liberty-loving Irishman, German, Swiss, and Frenchman the right to come to this land and partake with us alike of the joys, the comforts, and the blessings of civil and religious liberty bequeathed to us by Lafayette, by French, German, Scot, and Irishman, who, side by side with Washington and the patriots of 1776, shed their blood upon hundreds of battle-fields that they might enjoy and bequeath to posterity a government of civil and religious equality.

Again, Mr. Speaker, the leaders of the republican party have forced upon the American people a treaty with China that is filling our country with a class of cooly or slave laborers for worse and more degrading purposes than was ever known in the history of civilized government. The democratic party and the people entered their solemn protest against the ratification of a treaty that looked to the introduction of slave labor into our country; and when the American consul at Hong-Kong, China, objected to the immigration of cooly or slave laborers the State Department said, "Let them come."

See letter of Secretary of State, as follows:

DEPARTMENT OF STATE,  
Washington, D. C., July 13, 1876.

SIR: Your letter of the 12th instant, asking copies of certain papers on file in the Department in relation to contracts with Chinese laborers, has been received. In reply I have the honor to inclose herein a copy of a dispatch dated the 19th of November, 1869, from the consul at Hong-Kong, and of the Department's reply thereto, under date of the 30th of January, 1870, these being, as is believed, the papers referred to in your letter.

I have the honor to be, sir, your obedient servant,

HAMILTON FISH.

Hon. J. K. LUTTELL,  
House of Representatives.

UNITED STATES CONSULATE,  
Hong-Kong, China, November 19, 1869.

SIR: In view of the great magnitude which the matter of Chinese emigration hence to the United States is assuming, and in view of the fact that parties are now here making engagements with Chinese laborers to be taken to the United States and there employed for a term of years, I deem it my duty to ask for specific instructions in this regard.

What constitutes a free and voluntary emigrant? The act to prohibit the cooly trade, passed February 19, 1862, provides that the inhabitants or subjects of China known as "coolies" shall not be transported in American vessels to be disposed of in foreign countries. \* \* \* Does any conflict exist in this law? What is a "cooly" as here defined, and what is a free emigrant? \* \* \* Or, to put this question in a still more practical form, can an individual or company come here and engage Chinese to be employed for a term of days, months, or years in the United States and legally demand of the consul the certificate contemplated in the fourth section of the act aforesaid? \* \* \* It is the custom established by my immediate predecessor to give all vessels, without regard to nationality, sailing hence for ports in the United States with Chinese emigrants, a certified list of such emigrants. For each certificate to emigrant the consul charged \$2. \* \* \*

The great importance of this question of emigration, together with the fact that three-fourths of all who leave China will probably depart from this port, will I trust be deemed sufficient excuse for my lengthy dispatch on this subject.

Very respectfully, your obedient servant,

C. N. GOULDING,  
United States Consul.

Hon. HAMILTON FISH,  
Secretary of State, Washington, D. C.

Now follows the substance of the reply of the Acting Secretary of State:

DEPARTMENT OF STATE,  
Washington, January 20, 1870.

SIR: I acknowledge the receipt of your dispatch No. 5, of November 19, 1869, in relation to the cooly emigrants.

I am not aware that there is any legal definition of the term "cooly." Its general signification is understood to be a laborer at servile work, but the term has received a particular application to the class who have for many years been the subjects of the commerce known as the cooly trade. \* \* \*

The fact that an emigrant embarks under a contract by which he is to reimburse the expenses of his transportation by personal services for a period agreed upon does not deprive him of the character of a free and voluntary emigrant, if the contract is not vitiated by force or fraud.

The local knowledge and experience of each consul will enable him to prevent

the abuses of the cooly trade without impeding emigration really free and voluntary, without more specific instructions.

I am, sir, your obedient servant,

C. N. GOULDING, Esq.,  
United States Consul, Hong-Kong, China.

J. C. B. DAVIS,  
Assistant Secretary.

Now, when the laboring-men of the country demand a modification of the treaty, the republican leaders demand it too for political effect. In California they declared in favor of "John Chinaman" in their State platforms; called him a man and a brother, naturalized several of them; but the people arose in their might and opposed it, and then the leaders of the republican party changed their base of action for political purposes and made many professions of sympathy with the laboring masses. But the people know how much sympathy they have for free labor. We will not hold the rank and file, the masses of the republican party responsible for the fraud, corruption, and misrule of the leaders of the party, because the leaders have deceived and betrayed the people. They have refused to do the bidding of the people, and the people, republicans and democrats, can only expect honest government by electing a reformer like Governor Tilden to direct the destinies of the people and the Government.

The record is before the people, and there I propose to leave it. Once more let us have honest government and honest officials.

God give us men! A time like this demands  
Strong minds, great hearts, true faith, and ready hands;  
Men whom the lust of office does not kill;  
Men whom the spoils of office cannot buy;  
Men who possess opinions, and a will;  
Men who have honor; men who will not lie;  
Men who can stand before a demagogue  
And damn his treacherous flatteries without winking;  
Tall men, sun-crowned, who live above the fog  
In public duty and in private thinking;  
For, while the rabble with their thumb-worn creeds,  
Their large professions, and their little deeds,  
Mingle in selfish strife, lo! Freedom weeps,  
Wrong rules the land, and waiting Justice sleeps.

The duty and determination of the democratic party is to maintain a tariff for revenue purposes only; to legislate for the masses, and not for a favored few; to abolish useless ports of entry and dismiss useless officials; to economize in every department of Government; to compel corporations to pay the principal and interest due the Government and the people; to preserve the public lands for the people; to protect the settler against the land-grabber and speculator; to relieve the people of the oppressions practiced by corporations and monopolists; to relieve the people of the high protective tariff and internal-revenue tax; to relieve the people of the burdens of taxation; to increase our commerce; to foster and encourage ship-building; to protect the whole people in the enjoyment of equal rights and of civil and religious liberty; to protect them against bondholders and to compel bondholders to pay taxes; to punish fraud and crime; to protect all men, white or black, in the free exercise of their rights before the law; to foster the cause of education; to maintain and protect every citizen in the free exercise of the ballot; to abolish the system of spies and informers; to prevent a recurrence of Sanborn contracts, Credit Mobilier, Black Friday jobs, straw-bid rings, land rings, Indian rings, and other similar jobs by which the people have been plundered; to give to the people of the frontier protection from savage raids; to enact civil-service reform, economy, good government, and protection to the whole people.

This we promise in the name of all we hold most dear. Seventy-two years of economical and prosperous administration under democratic rule is a sufficient guarantee that we mean just what we say.

Mr. Speaker, we must rise above all partisan feelings and do the bidding of the oppressed millions of laboring men and women of our country. We must remedy the evils of past misrule and bad legislation, bring order out of chaos, expose corruption and fraud, and legis-

late for retrenchment and reform. In the language of one of the great statesmen of other days, "Our country is in far more danger from corrupt officials than from any other source."

Sir, during the present session I have heard members on this floor make fiery appeals to the prejudices and passions of the populace, and by every subtle art endeavor to incite and stir up the angry passions of the past. Shame upon men who would resort to such infamous means to advance their own selfish political interests or party. Thank Heaven no soldier whose deeds in the battle-field brighten our history has been guilty of such dirty treachery. No, sir; that unholy work is left to the hands of politicians who never smelt gunpowder.

Sir, let us live in peace and amity. Let the "dead past" be forgotten. Let the children of America profit by the unholy acts of the past. Let us stand by the Constitution and the Union, recognizing one flag, the starry banner, guaranteeing equal rights and justice to all. Let union of States, union of hearts, and equal rights, and liberty to all be the watch-word of every American citizen. Let it dwell in the hearts of the people throughout this broad land. Whenever an American mother shall ask God's blessing on her first-born, let her invoke Almighty God to grant us liberty and union forever. When the old veteran of our civil strife shall stand on the border of time, with one foot upon the grave, let him teach a religion of patriotism and brotherly love to a new generation. Let the sentiment that falls from his lips be "Union and liberty, one and inseparable." Let us treasure this love, this sentiment; link it with our fondest hopes, join it with the most sacred of memories, only surpassed by the sanctity and reverence we owe to the great Ruler of all. Let us as a great national family recognize the banner of the brave and the free. Let us guard and defend it as we would our "paternal gods." May it ever, as now, move on in a cause holy as the light. That cause, liberty to all. May the hand that would dare pluck one star from its glory fall palsied beneath the shadow of its fold. May it ever advance, as Thy ark in the olden time—holy in the sight of freemen and angels.

May that banner move on and on over this great continent, freedom's pillar of cloud by day, her pillar of fire by night, until from the ice-bound wilderness of the north to the waters of the southern sea there shall live but one name, one nation, one religion. That name, America! That religion, the brotherhood of man! That nation, the empire of freedom and equal justice to all!

#### APPENDIX.

##### Receipts and expenditures of the Government under democratic administrations.

Year.	Gross receipts.	Expenditures.
1800.....	\$12,451,174	\$11,989,739
1820.....	20,881,493	21,763,024
1840.....	25,032,193	23,226,533
1860.....	83,371,640	77,055,075

##### Amount of national and local expenditures and receipts, as shown by statistical reports and speech of Speaker Blaine, under republican administrations.

Year.	Gross receipts.	Expenditures.
1870.....	\$696,729,973	\$703,153,391
1874.....	744,238,600	724,698,933

##### Bonds issued to the Pacific railway companies, interest payable in lawful money.

[Bonds payable thirty years from date; interest at the rate of 6 per cent. per annum, payable in January and July.]

Name of railway.	Authorizing acts.	Principal outstanding.	Interest accrued and not yet paid.	Interest paid by the United States.	Interest repaid by transportation of mails, &c.	Balance of interest paid by the United States.
Central Pacific.....	July 1, 1862, and July 2, 1864....	\$25,885,120 00	\$129,425 00	\$12,520,804 87	\$1,262,192 12	\$11,312,612 75
Kansas Pacific.....	July 1, 1862, and July 2, 1864....	6,363,000 00	31,515 00	3,482,073 09	1,462,065 84	3,020,007 25
Union Pacific.....	July 1, 1862, and July 2, 1864....	27,326,512 00	136,182 56	13,518,515 37	4,065,701 62	9,432,813 75
Central branch Union Pacific.....	July 1, 1862, and July 2, 1864....	1,600,000 00	8,000 00	877,808 25	44,408 05	833,400 21
Western Pacific.....	July 1, 1862, and July 2, 1864....	1,970,560 00	9,852 80	840,613 74	9,367 00	811,246 74
Sioux City and Pacific.....	July 1, 1862, and July 2, 1864....	1,628,320 00	8,141 60	780,403 09	39,470 28	740,932 81
<b>Totals.....</b>		<b>64,633,512 00</b>	<b>323,117 56</b>	<b>32,080,218 42</b>	<b>6,909,904 91</b>	<b>25,171,013 51</b>

The foregoing is a correct statement of the public debt as appears from the books and Treasurer's returns in the Department at the close of business, July 31, 1876.

LOT M. MORRILL,  
Secretary of the Treasury.



*Schedule of land grants to corporations and monopolies since the republican party has been in power.*

State.	Year.	Corporation.	No. of acres.
Wisconsin	1866	Breakwater and ship-canal	200,000
Michigan	1865	Portage Lake ship-canal	200,000
Michigan	1866	Portage Lake ship-canal	200,000
Michigan	1866	La Belle ship-canal	100,000
Alabama	1871	S. Alabama Railroad	576,000
Alabama	1869	Alabama and Chattanooga Railroad	897,920
Louisiana	1871	New Orleans, Baton Rouge and Vicksburg Railroad	1,000,000
Arkansas	1866	Cairo and Fulton	966,700
Arkansas	1866	Memphis and Little Rock	365,539
Arkansas	1866	Little Rock and Fort Smith	459,771
Arkansas	1866	Iron Mountain Railroad	864,000
Missouri	1866	Cairo and Fulton Railroad	182,718
Missouri	1866	Saint Louis and Iron Mountain	1,400,000
Iowa	1866	Burlington and Missouri River	101,110
Iowa	1864	Chicago and Rock Island Railroad	116,276
Iowa	1864	Cedar Rapids and Missouri River	342,466
Iowa	1864	McGregor and Missouri River	186,800
Iowa	1864	Sioux City and Saint Paul	256,000
Iowa	1864	Sioux City and Pacific	580,000
Michigan	1866	Jackson, Lansing and Michigan, (re-grant)	1,052,469
Michigan	1865	Flint and Pere Marquette	566,828
Michigan	1864	Grand Rapids and Indiana	531,200
Michigan	1865	Ray de Noquet and Marquette	128,000
Michigan	1865	Marquette and Ontonagon	243,200
Michigan	1865	Chicago and Northwestern	375,680
Michigan	1865	Chicago and Northwestern	186,800
Wisconsin	1864	West Wisconsin	675,000
Wisconsin	1864	Saint Croix and Lake Superior	350,000
Wisconsin	1864	Bayfield Branch	215,000
Wisconsin	1862	Chicago and Northwestern, (re-grant)	600,000
Wisconsin	1864	Portage and Superior	750,000
Minnesota	1865	Saint Paul and Pacific	500,000
Minnesota	1865	Saint Paul and Pacific Branch	723,000
Minnesota	1865	Minnesota Central	280,000
Minnesota	1865	Winona and Saint Peter	600,000
Minnesota	1864	Saint Paul and Sioux City	150,000
Minnesota	1864-'66	Lake Superior and Mississippi	800,000
Minnesota	1866	Minnesota Southern	735,000
Minnesota	1866	Hastings and Dakota	350,000
Kansas	1863	Leavenworth, Lawrence and Galveston	800,000
Kansas	1864	Atchison, Topeka and Santa Fe	1,200,000
Kansas	1864	Union Pacific, southern branch	500,000
Kansas	1866	Saint Joseph and Denver	1,700,000
Kansas	1866	Fort Scott and Gulf	17,000
Kansas	1866	Southern branch Union Pacific	1,203,000
California	1866	Placerville and Sacramento	200,000
California	1867	Central Pacific, Oregon branch	1,540,000
California	1866	Stockton and Copperopolis	300,000
Oregon	1870	Oregon and California	1,600,000
Oregon	1866	Oregon Central	1,200,000
	1862-'70	Union Pacific, Central Pacific, and Kansas Pacific	35,000,000
	1864-'70	Northern Pacific Railroad	47,000,000
	1866	Atlantic and Pacific Railroad	42,000,000
	1871	Southern Pacific Railroad	3,000,000
	1862-'64	Central Pacific Railroad	245,166
	1871	Texas Pacific Railroad	13,400,000
	1862-'71	Wagon roads, chiefly in Northwest	4,000,000
Total acres not reserved for free homes			175,835,405
Total number of acres bestowed in land grants			296,000,000

AREAS IN SQUARE MILES.	
Maine	35,000
New Hampshire	9,300
Vermont	10,200
Massachusetts	7,800
Rhode Island	1,300
Connecticut	4,700
New York	47,000
New Jersey	8,000
Pennsylvania	46,000
Delaware	2,100
Maryland	11,000
Ohio	40,000
Indiana	33,800
Total	256,200

Republican land grants, 994,755 square miles.	
Expenditures for the Navy for ten years since the war	\$381,130,905 38
Expenditures for the Navy for ten years preceding the war	123,416,351 16
Excess under republican rule in ten years	257,714,554 22

And yet in 1875 we have but forty-eight vessels only, while in 1861 we had two hundred and three vessels. (See report Secretary of the Navy.)

**FRAUDS IN THE SOUTH.**

From the report on the condition of affairs in the late insurrectionary States I quote the following as showing the debts and liabilities of the State of Louisiana:

Debts and liabilities.	
In 1861	\$10,099,074 34
In 1869	14,347,051 62
In 1871	41,194,473 31
Excess of expenditures over receipts, 1871	9,345,733 00
Percentage of increase, 1868 to 1871, 900.	

Tax levy.	
In 1860	4,900,790 00
In 1870	6,490,028 00
Percentage of increase in ten years, 50.	

**Property valuation.**

In 1860	\$435,792,965 00
In 1870	251,296,017 02
Percentage of decrease in ten years, 50.	

In connection with the general condition of the South, I quote from the same report:

"It will thus be seen that while the assessed valuation of the taxable property in the eleven States of the South has been reduced from \$4,333,757,942 in 1860 to \$2,026,440,971 in 1870, being a loss of \$2,307,306,971, or over \$300,000,000 more than now remains, the State taxation on what those people now have was in 1870 \$12,813,615, while it was \$8,165,486 in 1860, when their affairs were managed by their own people; and the county taxation in 1860 on all the property they then owned was only \$3,115,184, while now, under carpet-bag and negro rule, it is \$14,986,630, or \$11,871,446 more on the remnant still in existence than it was on the whole property when the war began.

"In view of the enormous debt which has been wantonly, corruptly, and fraudulently heaped upon a people as poor as the last census report shows the people of the South to be, with five-eighths of their property gone and the taxation on the remnant nearly fourfold as much as it was on the whole when their affairs were honestly managed, it is to be expected that these States will have either love or respect for the men or the party by whom they have thus been plundered!"

We have tried radical reconstruction in the South for nearly ten years; it has proved a failure, except under home rule.

**SOUTH CAROLINA—INDEBTEDNESS AND FRAUDS.**

From proceedings of the Tax-Payers' Association of South Carolina I cite the following facts as showing the indebtedness and expenditures under carpet-bag rule:

Property valuation.	
In 1860	\$490,000,000
In 1870	170,000,000
A decline in thirteen years of 67 per cent.	

Tax levy.	
In 1860	500,000
In 1873	2,700,000
An increase in thirteen years of nearly 500 per cent.	

Legislative expenses.	
In 1860	40,000
In 1873	291,000
An increase in thirteen years of nearly 700 per cent. The public printing for sixty years aggregated \$400,000, or an annual average of \$6,666.	

Now mark the difference under republican rule, as shown by the following table:

Public printing.	
October, 1870, to October, 1871	\$134,151 44
October, 1871, to October, 1872	215,129 86
October, 1872, to October, 1873	331,945 66
Undrawn appropriation	118,054 34
Extra session, 1874	125,000 00
Total for three years	924,281 30
Annual average of \$308,093.76.	

Showing the expense for public printing for three years under republican carpet-bag rule to be \$500,000, more than the expense for sixty years under the administration of the democratic citizens of South Carolina before the war. From October 31, 1873, to November 1, 1873, the amount paid for public printing in South Carolina was \$575,000, while the total revenues of the State for the same period were but \$1,719,728. (See State treasurer's report.)

Annual legislative expenses before the war, \$40,000; annual legislative expenses since the war, \$309,000; an increase of more than 700 per cent, while property has decreased more than 100 per cent.

The annual stationery bill of the Legislature before the war was \$400; the annual stationery bill of the Legislature since the war, \$16,000, or over 4,000 per cent.

The amount of taxes paid by State and legislative officials under republican carpet-bag rule is as follows:

The governor pays none; the secretary of state pays none; the comptroller-general pays none; the treasurer pays none; the superintendent of education pays none; the lieutenant-governor pays \$15.99; the adjutant and inspector general pays \$1.

The State Legislature is composed of fifty-seven white and ninety-eight colored members. Of these fifty-seven whites twenty-four pay no taxes, and of the ninety-eight colored sixty-seven pay no taxes; and the names of eighty-five members of the Legislature are not to be found upon the tax-books; a State governed by men who do not represent a single interest, who create taxes, but pay none. (See report of tax-payers; also report joint committee on condition of the South, Congressional Globe, volume 2, page 1230.)

**EXPENSE OF PRINTING BILLS IN WASHINGTON AS COMPARED WITH OTHER STATE GOVERNMENTS.**

Statement showing the amount appropriated for executive officers, printing, advertising, and contingencies by the following States during the year 1871, and by the District of Columbia for the fiscal year ending June 30, 1872, also population and number of square miles in each.

States.	Population last census.	Square miles.	Salaries of executive officers.	Printing and advertising.	Contingencies.	Total.
New York	4,387,464	47,000	\$129,550	\$175,000	\$19,200	\$323,750
Maine	636,915	31,760	65,133	33,000	17,400	115,533
New Hampshire	318,300	9,280	12,341	9,800	2,099	24,240
Massachusetts	1,457,351	7,800	214,205	98,531	30,300	363,036
Rhode Island	217,333	1,300	16,008	3,500	*	20,408
Connecticut	537,454	4,670	59,800	98,875	*	156,675
New Jersey	906,096	8,320	46,187	82,625	7,656	136,468
Ohio	2,665,290	39,960	73,275	75,300	13,250	181,925
Wisconsin	1,064,985	53,920	65,963	54,569	17,008	137,540
Iowa	1,192,092	55,640	41,205	49,495	32,433	133,133
Illinois	2,539,891	55,410	96,753	50,000	30,108	115,861
District of Columbia	131,700	60	449,230	143,635	200,000	792,865

\* Included.

Now, taking the legislative expenses of South Carolina for 1873 at \$291,000, and public printing at \$331,945.66, the two items make \$622,945.66, or nearly 100 per

cent. more than the entire cost of the State government of New York; while taking the cost of public printing alone for three years in the State of South Carolina the sum-total, \$24,331.30, exceeds the annual cost of the annual State governments of New York, Massachusetts, and Ohio by \$117,533.

The testimony taken by the committee shows that the cost of public printing in Washington is from 50 to 60 per cent. above the average cost of similar work in New York or other democratic States.

## NAVY-YARD TICKETS.

The workmen were forced to walk in line and vote these little paste-board slips or be discharged.

Many gallant soldiers of the late war refused to walk in line and be forced to vote the ticket, and for demanding and exercising the rights of freemen they were discharged by the political "bosses" who govern the navy-yards.

*Fac-simile September election ticket. Printed on card-board with figured back; no margin.*

REPUBLICAN STATE TICKET.—For Governor, Newton Booth; for Lieutenant Governor, Romualdo Pacheco; for Secretary of State, Drury Melrose; for Controller, James J. Green; for State Treasurer, Ferdinand Bach; for Surveyor-General, Robert Gardner; for Attorney-General, John L. Love; for Clerk of the Supreme Court, Grant I. Tamm; for State Printer, Thomas A. Springer; for Harbor Commissioner, John A. City; for Amend-  
to Art. I of the Const.—Yes; Refund Debt—No; for Congressman, Third District, John M. Cushman; for Assemblyman, M. J. Wright; for Sheriff, Joseph Jacobs; for Treasurer, E. D. Perkins; for Recorder, Geo. C. McKinley; for Clerk, Chas. A. Kidder; for District Attorney, J. F. Wendell; for Assessor, Joseph Hoyt; for Surveyor, Wm. W. Fitch; for Supt. of Schools, Wm. H. Fry; for Pub. Administrator, Hansen Hoyt; for Coroner, C. E. Holbrook; for Supervisor, Ist Dist. A. D. Starr; for Constables, Ed. Longan and W. Markey; for Roadmaster, A. E. Thurber.

*Fac-simile October election ticket. Printed on card-board with marbled back; no margin.*

For Justices of the Supreme Court, Long Term, A. L. Rhodes; Short Term, Addison C. Niles; For Superintendent of Public Instruction, H. N. Bolander. For Justices of the Peace, C. W. Riley, O. A. Munn.

The republican governor, Bullock, of Georgia, incurred a State debt of nearly twenty-five millions. The democrats have, under their administration, in three years reduced it to eight millions; and to-day Georgia State bonds are worth 101 to 102 in gold—above par. (See Comptroller's report and current market reports.)

## ALABAMA UNDER DEMOCRATIC RULE.

Governor Houston took charge of the State government of Alabama less than two years ago. He found a State-debt of over thirty millions, the result of radical carpet-bag misrule. The debt, under democratic rule, is now reduced to \$10,000,000. I here append a few official tables, prepared by the Department, showing the condition of the country. Goods and merchandise under the republican tariff of 1875 have increased, while the prices of labor have diminished. (See reports of Commissioner of Agriculture for May and June, 1876, page 153.)

## WAGES OF FARM LABOR—MONTHLY RATE WITHOUT BOARD, 1866 AND 1875.

This diagram shows the monthly rate of each State, in both the years named, from the exhaustive investigations of the Department. There is shown a decline in wages, except in some of the Southern States, where labor is becoming more efficient and valuable, and in Oregon, where a scarcity exists. The figures are as follows:

States.	1866.	1875.	States.	1866.	1875.
Maine.....	\$27 00	\$25 40	Louisiana.....	\$20 50	\$18 40
New Hampshire.....	32 74	28 57	Texas.....	19 00	19 50
Vermont.....	32 84	29 67	Arkansas.....	24 21	20 50
Massachusetts.....	38 94	31 87	Tennessee.....	19 00	15 20
Rhode Island.....	34 40	30 00	West Virginia.....	25 35	20 75
Connecticut.....	34 25	28 25	Kentucky.....	20 23	18 12
New York.....	29 57	27 14	Ohio.....	28 46	24 05
New Jersey.....	32 27	30 71	Michigan.....	31 28	28 22
Pennsylvania.....	29 91	25 89	Indiana.....	27 71	24 20
Delaware.....	24 93	20 33	Illinois.....	28 54	25 20
Maryland.....	20 36	20 02	Wisconsin.....	30 84	25 50
Virginia.....	14 82	14 84	Minnesota.....	31 65	26 16
North Carolina.....	13 46	13 46	Iowa.....	28 34	24 35
South Carolina.....	12 00	12 84	Missouri.....	26 75	19 48
Georgia.....	15 51	14 40	Kansas.....	31 03	23 30
Florida.....	18 00	15 50	Nebraska.....	38 37	34 00
Alabama.....	13 40	12 60	California.....	45 71	44 50
Mississippi.....	16 72	16 40	Oregon.....	35 75	38 25

\* Statement of appropriation bills passed by the House of Representatives at the present session of Congress, showing the estimates of the Departments for each bill; the amounts appropriated for the year ending June 30, 1877, by this House; the reductions made in each bill below the estimates, and the reductions made by this House below the amounts appropriated for the year ending June 30, 1876.

Bills.	Estimates of the Department for the year ending June 30, 1877.	Appropriation for the year ending June 30, 1876.	Appropriation bill as passed the House for the year ending June 30, 1877.	Reduction below estimates of the Department.	Reduction below appropriations for the year ending June 30, 1876.
Military Academy, passed the House January 31.....	\$437,470 00	\$364,740 00	\$281,241 00	\$306,229 00	\$133,499 00
Pension bill, passed the House January 31.....	29,533,500 00	30,070,000 00	29,530,500 00		400,500 00
Consular and diplomatic, passed the House April 10.....	1,352,485 00	1,374,955 00	912,747 50	439,737 50	462,237 50
Fortification bill, passed the House February 15.....	3,406,000 00	850,000 00	315,000 00	3,091,000 00	535,000 00
Legislative, executive, and judicial, passed the House April 28.....	20,836,307 00	18,902,286 99	12,998,815 61	7,837,491 39	5,903,491 38
River and harbor bill, passed the House April 10.....	14,301,100 00	6,643,517 50	5,872,550 00	8,428,550 00	770,667 50
Deficiency bill, passed the House April 12.....	2,723,471 70	4,703,029 18	671,486 74	2,031,984 96	4,032,212 44
Post-office bill, passed the House May 17.....	37,039,865 99	37,524,361 00	36,730,109 00	4,200,696 99	3,785,232 00
Navy bill, passed the House May 21.....	20,871,666 40	17,001,006 40	12,432,855 40	8,438,811 00	4,508,151 00
Indian bill, passed the House June 6.....	5,787,995 64	5,360,554 55	3,979,692 11	1,808,303 53	1,380,952 44
Army bill, passed the House June 19.....	33,348,708 50	27,933,830 00	23,192,334 72	10,156,373 78	4,741,495 58
Sundry civil bill, passed the House June 23.....	32,560,475 29	26,644,350 00	14,857,326 54	17,703,148 75	11,787,023 55
Total.....	213,092,965 52	177,303,280 71	138,736,868 62	64,362,116 90	38,510,312 09

\* This statement has been carefully corrected and compared.

Amount estimated and recommended by Department for the year ending June 30, 1877.....	\$203,098,965 52
Amount appropriated by the democratic House.....	138,736,868 62
Reductions made by democratic House for session.....	64,362,116 90

TABLE III.

[Extract and tables from the speech of Hon. S. S. Cox, July 15, 1876.]

But if the gentleman wants really good, genuine economy, I advise him to go to the annual message of the governor of the State of New York, Samuel J. Tilden, of whom he has perhaps heard. He will find a variety of good reading in the line of economy. In the latter part of that message he will read why economy is so indispensable both in Federal and local affairs. According to that statement our Federal, State, county, city, and town taxes amounted in 1870 in currency to \$730,591,521 against \$23,000,000 gold in 1850 and \$154,000,000 gold in 1860. The taxes in 1870 were \$18.91 a head against \$3.57 in 1850 and \$4.90 in 1860. These taxes are eating up not merely income and earnings, all through the country. In 1870 the Federal taxes amounted to \$450,000,000, while the State, county, city, and town taxes amounted to \$280,000,000. Perhaps it would be better to express these amounts in tabular form.

The aggregate Federal taxation of the eleven years now closing, computed in currency from the official statements, is more than \$4,500,000,000; the local taxation, assuming the census statement for 1870 as an average, is more than \$3,000,000,000; the aggregate taxation exceeds \$7,500,000,000.

The extravagance of our governmental consumption is illustrated by a comparison of the public expenditures of 1870, five years after the close of the war, with those of 1860 and 1850:

TAXES IN THE UNITED STATES.

	1850.	1860.	1870.
	Gold.	Gold.	Currency.
Federal.....	\$40,000,000	\$60,010,112	\$450,000,000
State, county, city, and town.....	43,000,000	94,186,746	280,591,521
Total.....	\$83,000,000	\$154,196,858	\$730,591,521
Population.....	23,191,876	31,443,321	38,558,371
TAXES PER HEAD.			
Federal.....	\$1 72	\$1 91	\$11 67
Local.....	1 85	2 99	7 24
Total.....	3 57	4 90	18 91

If the gentleman would not disdain to learn more from this message, he may find in it that the daily wants of the masses of mankind, even in the most prodigious



tive and prosperous countries, press closely upon their daily earnings. It is only a small portion of their current income which they are able to save and to accumulate.

"In Great Britain and Ireland, despite the wealth which their people have long been storing up, especially in machinery and moneyed capital, despite the yearly influx of \$150,000,000 from interest on investments in other countries, the annual growth of wealth from the savings of all their people is not deemed by the best authorities to exceed six or seven hundred million dollars.

"The accumulated wealth of the United States is the result of a shorter period of growth and is less in amount. We have to pay to foreign creditors annually in coin more than \$100,000,000. We are richer in the natural powers of the soil, and our labor is, on the whole, more efficient. We earn more, but have less disposition to save and less of the habit of saving."

What will my colleague think when he further learns that a governmental consumption in every year, in bad as well as good years, must be considered greatly excessive when it amounts to a share of the national earnings larger than the whole people are able to save in prosperous times for all new investments; for erecting dwellings and other buildings; for improving farms, increasing the stock of live animals and of agricultural implements; for all manufacturing and mechanical constructions and machinery; for all warehouses and stores and increased supplies of merchandise; for ships and steamers and telegraphs and railroads and their equipments; for all objects which individual and corporate enterprise provide for the future in the progress of a populous and rapidly growing community.

Such taxation is in itself a monstrous evil, and its incidents aggravate its direct injuries. When the exaction from the people was, as in 1860, one-quarter of its present amount per head, even if it were unscientific and unskillful in the levy, the mischief was comparatively inconsiderable. But with the quadruplication of the exaction, the difficulty of obtaining good methods of imposing it is greatly increased, and the mischiefs of bad methods become well-nigh intolerable.

When governments take from the people, for official expenditure, nearly all the surplus earnings of individuals, science and skill in the art of taxation become necessary; necessary to preserve and enlarge the revenue, necessary to gild the infliction to the tax-payers. Our present situation is that we have more than European burdens, as seen in the most costly governments of the richest of modern nations, supporting immense navies and armies and public debts; and to these burdens we have conjoined an ignorance and incompetency in dealing with them which are peculiarly our own. We have not yet acquired the arts belonging to a system which the founders of the American Government warned us against, and fondly believed would never exist in this country.

The consequence is that the pecuniary sacrifices of the people are not to be measured by the receipts into the Treasury. They are vastly greater. A tax that starts in its career by disturbing the natural courses of private industry and impairing the productive power of labor, and then comes to the consumer distended by profits of successive intermediaries and by insurance against the risks of a fickle or uncertain governmental policy and of a fluctuating governmental standard of value, blights human well-being at every step. When it reaches the hapless child of toil, who buys his bread by the single loaf and his fuel by the basket, it devours his earnings and inflicts starvation.

Another evil of such a system of excessive taxation is that it creates and nourishes a governmental class, with tendencies to lessen services and to enlarge compensation, to multiply retainers, to invent jobs and foster all forms of expenditure—tendencies unrestrained by the watchful eye and firm hand of personal interest, which alone enable private business to be carried on successfully. In other countries such a class has found itself able, sometimes by its own influence and sometimes in alliance with the army, to rule the unorganized masses.

In our country it has become a great power, acting on the elections by all the methods of organization, of propagating opinion, of influence, and of corruption. The system, like every living thing, struggles to perpetuate its own existence.

Every useful and necessary governmental service, at a proper cost, is productive labor. Every excess beyond that, so far as it is saved by the official, merely transfers to him what belongs to the people. So far as such excess is consumed, it is a waste of capital as absolute as if wheat of equal value were destroyed by fire or gold were sunk in the ocean.

Probably such waste by governmental expenditure in the eleven years since the war amounts to at least as much as our present national debt.

My colleague may also learn that the misgovernment in the South is another call for economy.

And yet my colleague would disregard economy.

It cannot be doubted that the systematic and extreme misgovernment imposed on the States of the South has greatly detracted from our national prosperity. In those impoverished communities it has not stopped with the ordinary effects of ignorant and dishonest administration. It has inflicted upon them enormous losses of fraudulent bonds, the scanty avails of which were wasted or stolen, and the existence of which is a public discredit, tending to bankruptcy or repudiation. Its taxes, generally oppressive, in some instances have confiscated the entire income of property and totally destroyed the marketable value.

It therefore became indispensable that not only the governors of States but the legislators in the Federal Congress should cut down these enormous taxes that were eating up the earnings and substance of our people.

In compliance, therefore, with the generous leave of the House to extract from our governor lessons of economy for the whole country, I conclude by calling attention to his first pronouncement at Syracuse, on the 17th September, 1874, before taking upon himself the active candidacy of that year, which made him our governor by 50,000 majority:

"One thing only remains in its integrity; that is our taxes. Amid general decay, taxation puts out new sprouts and grows luxuriantly.

"It seats itself—"

If I may borrow a figure from the greatest of our American poets—

"Upon the sepulcher,  
And of the triumphs of its ghastly foe  
Makes its own nourishment."

"National taxes, State taxes, county taxes, town taxes, municipal taxes. The collector is as inevitable as the grim messenger of death. Incomes, profits, wages; all these fall, but taxes rise.

"Six years ago, I had occasion to say that while values were ascending, and for some time after, it might be easy to pay these taxes out of the froth of our apparent wealth; but that when the reaction of an unsound system of government finance should set in, the enormous taxations which that system had created would consume not only our incomes and profits, but trench upon our capital. What was then prediction is now experience.

"Retrenchment in public expenditure. Reform in public administration. Simplification and reduction of tariffs and taxes. Accountability of public officers, enforced by better civil and criminal remedies. The people must have these measures of present relief—measures for economy for the future.

"A change of men is necessary to secure the change of measures. The opposition is being matured and educated to take the administration. The democracy, with the traditions of its best days, will form the nucleus of the opposition."

The taxes levied by the Legislature of 1874 were  $\frac{7}{8}$  mills on a valuation of \$2,169,307,873. Their produce, when all realized, is \$15,727,482.08.

The taxes levied by the Legislature of 1875 were 6 mills. They were computed in the comptroller's office and in the legislative committees on the valuation of the previous year. On that basis their produce would have been \$13,015,847.24.

The reduction would have been \$2,711,634.84, but the valuation was increased to \$2,367,780,102. The produce of a 6-mills tax on that amount is \$14,306,600.61. The increase of the valuation gives an excess over the estimated amount of \$1,190,833.37. The reduction actually effected is \$1,530,801.47.

A reduction of taxes, without reduction in appropriations, would but create a deficiency and a floating debt. These would have to be paid by a subsequent increase of taxes. The appropriation bills were framed to correspond with the lower valuation, and much effort was made to keep down the appropriations. The result is shown in the following table:

Appropriations and taxes of 1874 compared.

	Mills.	Appropriations of 1875.	Tax computed on valuation of 1874.	Tax computed on valuation of 1875.	Excess.
Schools.....	1 $\frac{1}{2}$	\$2,712,000 00	\$2,711,634 84	\$2,959,725 13	\$248,090 29
County debt.....	2	4,360,000 00	4,338,615 75	4,735,560 20	396,944 45
Capital.....	1	1,000,000 00	1,084,653 94	1,183,890 05	99,236 11
Canal floating debt.....	1	205,000 00	271,163 45	295,972 51	24,809 03
Canal awards.....	1-5	422,766 90	433,861 57	473,556 02	39,694 45
General purposes.....	1 $\frac{1}{2}$	2,966,850 00	2,982,798 33	3,255,697 64	272,899 31
Deficiency and asylum.....	11-30	1,295,213 53	1,193,119 31	1,304,279 06	109,159 73
Total.....		13,172,803 43	13,015,847 24	14,306,600 61	1,190,833 37

Excess of appropriations over tax computed on valuation of 1874.... \$156,958 19

Excess of tax computed on valuation of 1875 over tax computed on valuation of 1874..... 1,190,833, 37

Excess of tax computed on valuation of 1875 over appropriations of 1875..... 1,033,875 18

After one year of democratic rule in the Empire State the State taxes were reduced, as compared with the last year of republican rule, to the extent of two and three-quarters millions of dollars.

The governor promised, if the people should send him a Legislature to co-operate with him, to make twice as large a reduction in the taxes next year. This Legislature did not come; but he did well without such a body, as the governor's message reveals. I am allowed graciously to print from it:

"The reduction in the appropriations of 1875, below the taxes of 1874—counting, as its true construction, one item about which there may be some doubt—is \$2,554,677.65. This leaves the sum of \$1,033,875.18 applicable to the reduction of taxes for the coming fiscal year.

"The objects in respect to which a reduction of taxes was effected were:

	1874.	1875.	Reduction.
Extraordinary canal repairs.....	1,898,144 39	None.	\$1,898,144 39
Asylums and reformatory.....	813,490 45	\$479,800 00	333,690 45
General purposes.....	4,189,475 84	3,686,117 60	493,358 18
Total.....			2,725,193 04

#### REDUCTION OF STATE TAXES FOR 1876 TO ONE-HALF THE TAXES OF 1874.

The taxes for State purposes in 1874 were  $\frac{7}{8}$  mills on a valuation of \$2,169,307,873, producing..... \$15,727,482 08

The taxes for State purposes in 1876, if reduced to  $\frac{3}{8}$  mills on the valuation of 1874, or 3,321 mills on the valuation of 1875, which is \$2,367,780,102, would yield..... 7,863,741 04

From these figures from Governor Tilden's message my colleagues may learn what benefit our governor has bestowed on our State; and he as well as others may infer how much benefit an economist may render to the whole nation when he may select a cabinet of honest officials and demand accountability in Federal as he has in State matters.

How the Farmers, the Mechanics, and the Laboring Men of the Country are Made to Pay the Government Taxes.

SPEECH OF HON. ELI J. HENKLE,  
OF MARYLAND,

IN THE HOUSE OF REPRESENTATIVES,

July 29, 1876.

The House having under consideration the bill (H. R. No. 3926) to amend the laws relative to internal revenue—

Mr. HENKLE said:

Mr. SPEAKER: I am exceedingly reluctant to trespass upon the time of the House at this late period of the session. Many measures of great importance and absolutely essential to the proper administration of the various departments of the Government yet remain unadjusted, and the attention of the House will properly be engrossed by their consideration until they shall have been disposed of. A great national contest is also rapidly approaching, and daily attracts more and more of the attention of the people and their representatives, so that it appears extremely doubtful if, in the present feverish condition of the public mind, the members of this body can be induced to deliberate calmly and carefully upon any public measure not absolutely indispensable to the business of the present session.

Notwithstanding these unfavorable circumstances, however, a sense of duty to those who have delegated me to represent and protect their

interests here impels me to speak upon a subject which to me appears to be of the most vital importance to the interests and welfare of millions of the inhabitants of our common country. I refer to our revenue laws and the sources from whence are derived the means with which to defray the expenses of the General Government.

A more important subject cannot possibly engage our attention at the present time. Its influences pervade every rank of society, and affect, to a greater or lesser extent, the material interests of every individual in the land. No subject, perhaps, has attracted so much of the attention of statesmen in the past history of our country, and upon none has such diversity of opinion been entertained and advocated. Hence its careful study and mature consideration are of the most paramount importance at the present critical crisis in our history. There is a wide-spread and deep-seated conviction in the minds of a majority of the people of the country that these laws can and should be so modified as to lighten the burdens of taxation now imposed upon a class of our citizens most grievously oppressed by adverse fortune, and to place them where they more justly belong.

We cannot shut our eyes against the painful truth that there is deep distress and impending ruin everywhere in the land. With gradual but constantly advancing strides, financial embarrassment has obstructed the pathway of our people until destitution has become a common lot and thousands upon thousands of the best people of the country, willing and anxious to toil for a bare support, are actually suffering for the necessities of life.

The disasters that have befallen the poor and middle classes have not stopped there. The same causes that have brought the toiling millions to want and beggary have dragged down in the common wreck the capitalist, the merchant, and the tradesman also. Bankruptcies, the like of which were never before known in our history, are the current events of the day. Agriculture, manufactures, and commerce are paralyzed beyond precedent, and utter want of confidence pervades every branch of industry and every avenue of trade, and reflecting men are forced to study seriously the signs of the times, and, if possible, to suggest the causes and the remedy for the impending ruin.

I do not contend that all of this wide-spread distress is attributable to any solitary defect in our existing laws.

I believe there are many causes, each contributing its respective share toward the general depression of the times.

The infidelity and notorious dishonesty of men in the highest and most responsible positions of the public service have annually diverted to private emolument millions of the people's money that should have gone to pay the interest on our national debt and defray the current expenses of the country.

This system of peculation by men in high places has pervaded every arm of the public service and, as now abundantly shown, has robbed the coffers of our common country of untold millions and to the same extent increased our burdens of taxation.

Habits of public and private extravagance contracted under the inflation of values that ensued upon the war still exist among the people, and have been followed by their representatives in the administration of the affairs of the Government.

The high rates of interest upon money, also brought about by the wretched monetary system now prevailing in the land, have contributed much toward the general distress, but these all together make up but a part of the sum of our evils, and much the greater portion I am sure depends upon the operation of our present revenue laws and their unjust discrimination against the interests of the poor.

The present taxes imposed upon the home productions of our country under the internal-revenue laws, and the duties imposed upon certain articles of import, contribute, in my opinion, more than all other causes to impoverish the people of the country and hinder their prosperity.

The many are taxed for the benefit of the few and the burden falls most heavily upon those least able to bear it.

I would not propose nor advocate a sudden and entire abandonment of the system by which the revenues of the country are now supplied.

This, I am free to admit, might lead to embarrassment, and impair the credit of the nation.

Our needful current expenses should be promptly met and the interest of our public debt must be paid in order that national honor may be maintained both at home and abroad; but the principles upon which our present revenue laws are based are, in my opinion, theoretically and practically erroneous, unjust, and oppressive, and so soon as practicable they should be abandoned and a more equitable system enacted in their stead.

I say that the principle upon which the present system is based is unjust and oppressive because in its practical operation the taxes imposed by the General Government are *personal* taxes, and not taxation upon the capital or property of the country.

The taxes or duties imposed by the internal-revenue laws are taxes or duties laid upon articles consumed or used by our citizens, have no reference to the ability of the parties to pay them, and, for the most part, are imposed upon articles which are of universal use and required alike by the poor and rich.

There is a good old maxim incorporated into the organic law of Maryland which expresses the true and only principle upon which every system of taxation should be based, and that is that "every individual should contribute to the support of the Government in pro-

portion to his worth in real and personal property." This is the principle observed almost universally by our State and municipal governments in levying contributions for their support. But it is notoriously true that the General Government observes no such rule, and the imposition of its taxes bears no proportion to the ability of the party to pay, and this brings me to the demonstration of my assertion and the citation of the proofs of the correctness of my position.

The current ordinary expenses of the General Government for the year ending June 30, 1875, including interest on the public debt and contribution to the sinking fund, amounted to \$274,623,392.84.

The means to defray this immense expenditure were derived chiefly from internal-revenue taxes and duties on imports.

More than \$110,500,000 was realized from internal-revenue taxes, and over \$157,000,000 from duties on imports.

These two items of taxation, with the gold premium upon imports added, make a sum equal to all the ordinary expenses of the Government, except only about three and a half millions of dollars.

Now, I ask, who pay these large sums of money annually? And are the expenses of the nation, as embraced in these sources of revenue, paid by her citizens in proportion to their ability to pay? The people want to know who pays the bills of the Government. They have a right to know the whole truth, and if it shall appear that the taxes imposed are unjust and oppressive, they have a right to a speedy remedy.

The internal revenue for the year ending June 30, 1875, as already stated, amounted to \$110,545,154.23. Of this amount \$95,629,457.41 was derived from taxes upon distilled spirits, fermented liquors, and tobacco, and only \$12,015,696.82 from all other sources. That is, near nine-tenths of all the internal revenue is realized from the tax imposed upon distilled spirits, fermented liquors, and tobacco, and I claim that at least nine-tenths of this amount have been taken from the pockets of the laboring people of the country. In other words, that of the one hundred and ten and a half millions of dollars thus annually paid into the Treasury, about ninety millions are paid by a class of our citizens at once the least able to pay and the most sorely oppressed by the evils that now beset us.

I have not been able, either from the Bureau of Statistics or elsewhere, to obtain reliable information as to the relative numbers of rich and poor in the land, but from the best information to be had, and from a careful study of the subject, I am convinced that at least nine-tenths of our entire population are dependent upon daily labor for a support, and until convinced that I am in error I shall assume this proportion to be sufficiently accurate for the purposes of my argument.

The tax levied upon spirits, tobacco, and fermented liquors is for the most part a uniform, specific tax, and has little reference to the quality or value of the article; hence it follows that those who use equal quantities pay an equal proportion of the tax, the amount of the tax being invariably added to the cost of the article and paid by the consumer.

Now these articles are used quite as generally and as freely by the laboring classes as by the rich, and nine-tenths of our population belonging to the former class, it follows that they pay nine-tenths of all this tax.

Every one knows that the cost of these articles is largely increased on account of the Government tax imposed upon them. It is first imposed by the internal-revenue officers upon the manufacturer. He adds it to the price of the goods when he sells to the retailer, and the retailer more than adds it when he sells to the consumer; so that the duty is really and invariably paid by the consumer of the article, and the class that uses the most pays the most.

From the beginning of this species of taxation in 1862, to June 30, 1875, there were collected from the tax on spirits the sum of \$499,763,999.14, and from tobacco, for the same period, the sum of \$293,589,425.94, making in all from these two sources of revenue the immense sum of \$793,353,425.08; and nine-tenths at least of this vast sum, or more than \$700,000,000, have been taken from the hard earnings of the poor men of the country, the class of citizens whom no State government compels to bear any part of the public burdens, and who, from their needy condition, should not be so taxed by any government.

For fear of being misunderstood, Mr. Speaker, I will briefly repeat the points of my argument. They are these:

First. That about nine-tenths of the internal revenue are derived from the taxes on spirits, fermented liquors, and tobacco.

Second. That these articles are used as generally and as freely by the poorer as by the wealthier classes.

Third. That these taxes are mostly specific taxes, assessed on the quantity without regard to the quality of the article; so that every individual pays directly in proportion to the quantity he consumes or uses.

Fourth. That the poorer class being nine times as numerous as the rich, it inevitably follows that they pay nine times as much of all this tax as the rich pay, and hence have paid into the national Treasury in the last thirteen years over \$700,000,000 upon the spirits and tobacco they have used.

Fifth. That this species of taxation is actually *personal taxation*—taxation by the head, without any reference whatever to the ability of the parties to pay. It is not taxation levied upon property or capital, and consequently ignores and violates the fundamental principles upon which every system of taxation in free governments should be founded. It practically and truly makes the muscle and



sweat of the poor man pay nine times as much toward the support of the nation as the capital and property of the country pays.

I am well aware, Mr. Speaker, that the views and arguments I am presenting are at variance with the established policy and practice of our national administrations for many years past. The present is, in my opinion, a most crafty and ingenious scheme of financing, inaugurated and enforced by the republican party to make the poor pay the bills while the rich enjoy the benefits and protection of the Government; and, sir, until I shall be convinced that I am in error, I shall not hesitate to espouse a cause which I am now convinced is the cause of the oppressed and suffering poor of the land.

They are not here in person to raise their voice in the councils of the nation and demand relief. They cannot quit the plow, the anvil, and the work-bench. The merchant, the money-lender, and the tax-gatherer must be paid, and they must toil on week after week and year after year, through summer's heat and winter's cold, to feed and clothe their wives and little ones; but they have delegated us to look to their interests here and protect them. They have intrusted their future fortunes and destiny to our keeping, trusting, hoping, and praying that relief may yet be found, and if we fail to do our duty, a day of reckoning is not far distant.

The wolf is at the door. To-day a wail of woe is heard in every cottage in the land, and woe be unto the public servant that turns a deaf ear to the cry!

It is not my purpose, Mr. Speaker, to advocate a sudden and entire abolition of all internal-revenue taxes, but to call attention to the unjust and unequal operation of the present laws, to insist upon a speedy reduction of existing rates and their entire abolition at the earliest practicable period by the substitution of other and more equitable methods of raising a revenue.

I know that for many generations this has been the favorite resort of nations, especially monarchies, to procure the means of defraying public expenditures.

It is the most specious method of taxing the people without the interposition of a direct-tax gatherer, and of exacting from them their hard earnings without giving a receipt specifying the amount taken.

The direct-tax gatherer is an unwelcome visitor, and the items of his bill are closely scrutinized, and, for the most part, grudgingly paid; but could the laboring people of this country realize the full amount and extent of the taxation now stealthily imposed upon articles entering into the daily use and consumption of themselves and their families, a solemn, earnest protest would speedily be heard from every section of the land that would not be stifled until relief was given.

The argument chiefly relied upon by the advocates of the present system, and by them considered all-sufficient and unanswerable, is that distilled spirits, fermented liquors, and tobacco are not necessities of life; that they are really luxuries, and as such are legitimate objects for taxation. It is true, sir, they are not essential to the sustenance of life. The world would in all probability be better off without them. Millions of dollars would annually be saved to our people, their happiness promoted, life prolonged, and crime diminished; but unfortunately such is the invincible power of appetite over the will that but few who ever become addicted to their use abandon them.

The habits acquired, for the most part in early life, grow stronger and stronger with advancing years until they become a part of our nature and *will* be satisfied. *Practically* they have become necessities of life to all who are addicted to their use, and in the question of taxation should be so considered. With equal and even greater propriety might tea and coffee be considered as luxuries.

There is more nutriment in a glass of spirits than in a cup of coffee, and ten times more in a bottle of beer than in a cup of tea, yet these articles, the appetite for which is as much acquired as that for spirits and tobacco, are treated by the law very properly as necessities of life and exempt from taxation, while the malt and spirituous liquors, the almost universal beverages of our native-born and naturalized citizens, are encumbered with a burdensome tax. More than two dollars per head for every man, woman, and child in the country was paid into the public Treasury last year from taxes imposed upon these three articles, and it bore just as heavily upon the payers as if the tax had been levied upon the most absolute necessities of life. The tax is just as grievous a burden, when laid in equal amount, upon the poor man's beer as upon his bread. He is that much poorer at the end of the year, and that much money has been taken from the support of himself and family.

The advocates of temperance reform may say that to admit these articles to a free market is to encourage their use, and would lead to the increase of misery and crime in the country.

If that were probable, then I would say, double the tax rather than diminish it. But, sir, the history of the past abundantly proves that such would not be the effect.

The statistics of the country plainly show that the consumption of these articles is not affected either one way or the other by the imposition of an excise tax.

As large a quantity of distilled spirits, in proportion to population, was consumed in the country when the tax was \$2 per gallon as when it was but fifty cents.

Congress in establishing the present rates of taxation upon these articles did not resolve itself into a temperance society or a reformatory institution. It was not expected nor intended that the tax

would diminish their use or the crimes that ensued therefrom. Revenue money in the Treasury to pay the public demands, and relieve the capital of the country from legitimate taxation, was the sole object, and had the tax diminished consumption, its very object would have been defeated.

These duties were imposed with a full knowledge of the weakness of human nature and the inexorable demands of an acquired taste. Those who passed them knew that, notwithstanding the duties imposed, the articles would be consumed all the same, and money would flow into the coffers of the Treasury. And so it has; and, as before stated, under the system now enforced, seven hundred millions of dollars of the hard earnings of the yeomanry of the land have been taken from the wages of their daily toil which should have been derived from other sources.

These facts and arguments show conclusively, to my mind, that this system of taxation is wrong in theory and oppressive in its operations, and by it the poorer classes are made to pay almost all the revenue arising from the internal taxes, and the property and capital of the country escape the burden.

There is another reason, Mr. Speaker, and, in my opinion, a still stronger one, why the tax now imposed upon the articles named should be reduced and finally abolished. They are *agricultural productions*. The tobacco that is manufactured into so many different forms for consumption and the grain from which fermented and distilled spirits are made are the productions of the soil, and the great agricultural interests of the country are injuriously affected by their taxation.

We are pre-eminently an agricultural people. The farming interest is greater than any other in the country and almost equal to all others combined. More than twenty millions of our population depend upon the products of the soil for their support, and hence they are entitled to and should receive the largest share of our fostering care and attention.

In every age of our history the prosperity of the nation has borne a direct ratio to the prosperity of her agriculture.

Whenever the husbandman has realized a bounteous return for his outlay and labor and has not been subjected to unequal taxation, this great interest has prospered and the entire country with it. But whenever, notwithstanding a plentiful harvest, the cost of production has been increased and the remuneration diminished by reason of oppressive and unequal taxation, the agricultural interest has languished, the farmer has become impoverished, and the whole nation has been made to feel the shock. Such is the condition of affairs at the present time.

Notwithstanding the fact that the fruits of the earth have been more abundant than ever before in our history, such is the increased cost to the farmer for the means of living, and so burdensome has been the weight of taxation, direct and indirect, imposed upon him, that the entire interest is in a condition of distressing and alarming depression, and the whole nation feels it.

The mainspring of all the financial embarrassment that now pervades every section of our country is found, beyond doubt, in the prostrated condition of her agriculture.

A specific tax laid upon any article or commodity of trade must, in the very nature of things, affect the traffic in that article or commodity in direct proportion to the extent of the tax.

Now the tax laid upon distilled spirits is about six times the first cost of manufacture, and the tax laid upon leaf-tobacco is almost in the same proportion. With such immense exactions imposed upon the trade, who can doubt that the price realized by the farmer for the raw material is seriously affected thereby?

If the distiller did not have to pay ninety cents per gallon to the Government for taxes, he could afford to pay the farmer a much more liberal price for his grain; and so of the tobacco merchant and manufacturer.

A very considerable proportion of the distilled spirits used in the country is used in the arts and for mechanical and scientific purposes. The increased price of these spirits directly and seriously affects their sale for such purposes; and, to the extent that their sale for such purposes is diminished, the demand for the grain from which they are made is lessened.

But it is in respect of our foreign trade in these articles that our present revenue laws most seriously affect the interests of the farmer and the manufacturer. With no tax upon distilled spirits and tobacco, and none of the complicated and protracted formalities that now surround the exportation of these articles, our country ought to supply the world. Our immense and inexhaustible resources for their production, and our great facilities for their transportation to the seaboard, afford us natural advantages unequalled in any country, and but for the embarrassments thrown around their exportation by our revenue laws, there can be no doubt that our export trade in distilled spirits and manufactured tobacco would be tenfold greater than at present.

It is true there is no revenue tax imposed upon spirits or tobacco that is exported to foreign countries, but the bonds to be executed and the formalities to be complied with for the protection of the Government against frauds are so numerous and so difficult as to very seriously embarrass and almost destroy the trade. What these difficulties are and how they have had the effect to constantly diminish our foreign export trade, are clearly shown by the following extract

from the speech of Hon. EDWIN R. MEADE, of New York, recently delivered in this House upon this same subject. He says:

It should require no argument to satisfy any one that the true policy of the Government is to encourage any business which will give us exportation for our staple products; for it is only by our export trade that we are able to make a set-off to the large, and we might say extravagant, importations which require the payment of enormous sums of money abroad. Since our tremendous war debt, which has been so largely taken by foreigners, the necessity for developing in every possible manner all our opportunities for exportation is greatly increased.

In the matter of distilled spirits the United States is so situated respecting the cheapness of her grains, and especially corn, and also in facilities for bringing those grains to the seaboard for shipment, that we ought to monopolize substantially the entire trade of the world in distilled spirits; and yet for some inscrutable reason it would appear, from the laws regulating exportation of such spirits as well as from the regulations of the Department having the subject in charge, that it had become the settled policy of this Government to impede as far as practicable all business enterprise in that direction. How far this Chinese policy has been a success may be discovered by the following:

Statement showing the exports of distilled spirits from the United States for the twenty fiscal years from 1857 to 1876 inclusive.

Years.		Years.	
1857.....	\$2,584,880	1867.....	\$1,846,672
1858.....	1,993,845	1868.....	1,416,121
1859.....	1,231,211	1869.....	796,093
1860.....	1,461,438	1870.....	725,421
1861.....	2,311,685	1871.....	452,546
1862.....	2,622,437	1872.....	501,499
1863.....	3,405,573	1873.....	852,639
1864.....	1,435,349	1874.....	1,164,616
1865.....	1,536,674	1875.....	351,354
1866.....	1,127,700	1876.....	582,400

\* Exports for June are partly estimated.

It will be perceived from the foregoing exhibit that the export business was in a flourishing condition up to 1864, when the internal-revenue laws first affected it. From that time on there has been a steady average decline until this date, showing a difference between the receipts for the years 1853 and 1875 of over \$3,000,000 loss to this country by reason of the pernicious system which has been adopted respecting the exports of distilled spirits, to say nothing of the large natural increase of trade which would undoubtedly but for this system have amounted ere this to a sum in the neighborhood of \$20,000,000; all of which is lost not only to the country generally but to the farmer in particular, who by reason of such additional demand would have been able to obtain a much better price for his grain, where fifty six pounds is concentrated into four pounds of high-proof alcohol. There is no other way in which the western farmer can send his grain abroad to such advantage to himself and American manufactures as in the shape of distilled spirits.

A simple illustration of the manner in which the exporter of spirits is embarrassed would be as follows: A single package of alcohol, containing say eighty-five gallons, is worth say 25 cents per proof-gallon, or \$21.25 for the entire package. Now, in order to make shipment abroad the exporter is required to make out two bonds: first, from the distillery to the place of exportation and to the time of actual shipment, and, second, a bond covering the period from time of actual shipment to its landing in foreign port. The exported article pays no duty here, yet nevertheless each of these bonds are required to be made out for double the amount of duty which would be required upon a package in case consumption were had here, or, say, \$143. The first bond of course is taken up at the time of the issue of the second, but the second bond cannot be canceled until all the circumlocutory proofs are furnished which are technically required by the Department, and it generally happens that from twelve to eighteen months must elapse before any such shipment bond can be taken up and canceled, so that it comes to be that in a very small business the amount of bonds alone required to carry it on is so great that no one of average or even large means can continue in it.

The figures I have given for the probable present natural exportation of spirits may seem large, but in 1863 we were beginning to export largely, not merely alcohol, but colored spirits and other finer forms of spirits, and there were reliable indications of the development abroad of a demand for bourbon and rye whiskies of American manufacture; and furthermore our manufactures of drugs and chemicals and toilet articles were building up a large export trade, especially with South America, in compounds of which alcohol was an essential part. Cramped as it has been by law, the exportation of spirits has suffered still more from the varied and contradictory decisions and regulations of the Bureau, which, issued often without the semblance of authority of law, and sometimes almost in plain violation of it, destroyed all security or permanency in the business. For example, at one time, by one of these regulations, no bonds were accepted without qualification upon entirely unencumbered real estate. A man might own a piece of property worth \$1,000,000, but if there was a mortgage on it for \$10,000 he was not available as security on an exportation bond.

This is but one of many illustrations of the obstacles which are constantly harassing and embarrassing the trade, and shows the absolute necessity for a rigid and thorough reform in the entire system regulating the manufacture and trade in distilled spirits. The particular evil, as we have before observed, lies in the very grave defects in the official system and the enormous, disproportionate, and suicidal tax of ninety cents per gallon, in the face of all experience in favor of a lower rate.

So of manufactured tobacco. The restrictions thrown around the exportation of this article especially are so complicated and difficult as to reduce our exports to a mere fraction of what they would be if trade were untrammelled.

Without elaborating these points at greater length, enough has been stated, I believe, to demonstrate that the great bulk of the internal revenue is paid by the poorer classes of the people, and that these taxes being imposed upon the agricultural products of the country operate with double force and injustice upon that great interest.

An analysis of the tariff of duties imposed upon foreign imports will show that in very many respects the same principle of taxation has been followed, and that the poorer classes pay there also by far too large a proportion of all that is paid into the Treasury from such sources.

The very learned and exhaustive review of this subject that has been presented to the House by the able chairman of the Committee of Ways and Means [Mr. WILLIAM R. MORRISON] has left but little for others to say upon this subject. I will content myself by a reference to one or two articles only, the duties upon which, as now collected, bear most oppressively upon the masses of our citizens.

In round numbers about \$40,000,000, currency, were paid into the Treasury last year from duties upon sugar, molasses, and sirups imported into the country; near \$1 each for every man, woman, and child in the land.

Now sugar, molasses, and sirups are actual necessities of life. After bread and meat there are no articles that enter so universally and so largely into the daily bill of fare of every individual in the land, from the highest to the lowest and from the cradle to the grave, as these.

If nine-tenths of the people are poor, then the poor pay nine-tenths of the duty; that is, \$30,000,000 are annually added to the cost of the sugar and molasses with which the poor men of the country provide themselves and their families. My friends from the sunny South will claim that this duty is imposed for the protection of the sugar-planters of their section, and hence is a protection to that portion of our agriculture. That argument might be a very good one if the protection did not cost so dearly and if it did not bear so heavily upon the class least able to pay it.

The entire production of molasses and sugar in the Southern States does not amount in value to one-fifth of the amount of the duty paid for its protection, and it certainly cannot be just to pay \$40,000,000 annually to protect an interest not worth in the aggregate \$8,000,000.

The Government had far better pay to every planter a bonus of five cents upon every pound of sugar and every gallon of molasses produced from his lands than to impose this heavy burden of taxation upon our entire population for all that is imported and used in the country.

If, then, this duty is imposed for revenue, it is wrong, because it is imposed upon one of the prime necessities of life, and the poor have almost all of it to pay, and if imposed for protection it is equally wrong, for the article protected is not worth in the aggregate one-fifth of the amount paid for its protection. In either view of the subject it is wrong, and I trust the day is not far distant when it shall be removed and these essentials to our every-day's living be supplied at the cheap rates that prevailed before the war and under democratic rule.

I will refer to one more instance of unequal and unjust taxation under our present tariff system, believing that quite sufficient for my purpose.

Why should a duty of 20 per cent. be imposed upon quinine? The bark from which it is made is admitted free of duty; and that is right, since it is not and cannot be grown in this country. It does not come in contact with any American production, and being indispensable to the health and comfort of the people, the law imposes no obstacle to its free entry into our ports. Why, then, impose a duty of one-fifth upon its manufactured product? If for the purpose of raising a revenue, the very object of the law is defeated; for the duty is so high that no one can afford to import quinine, and none being imported no duty is paid into the Treasury. If for protection, and that appears to be the only purpose, then I say that this species of protection is the most iniquitous of all the iniquitous exactions imposed upon the people of the country. The protection is solely and only to enrich two or three manufacturers in the cities of New York and Philadelphia. They are to grow rich at the expense of the suffering and afflicted poor people of the country. The diseases to the treatment of which this article is indispensable abound in those sections of country where the agriculturists and the poorer classes are compelled to live.

The rich may avoid these localities in the sickly season, but the poor must remain and suffer and perhaps die, or pay the tribute of 20 per cent. to swell the fortune of the affluent manufacturer.

It is estimated that 800,000 ounces of quinine are used annually in the country, and 50 cents per ounce at least is added to the cost the consumer pays in consequence of this duty, making in the aggregate at least \$400,000 imposed upon the sick and the suffering of the land for the emolument of a few individuals.

The worst feature of this iniquitous imposition is that it brings no benefit to the Treasury, and imposes burdens where our sympathy and support should rather be extended.

These examples, Mr. Speaker, and many others might be furnished of the same nature, show as clearly as the light of day how the public burdens are imposed upon the toiling millions of our inhabitants and reveal the true causes for the wide-spread distress that now prevails in our once prosperous and happy country. Thousands of millions of the most remunerative capital of the country is exempted entirely from taxation of every kind, national, State, or municipal, and the deficiency is made up by increasing the burdens of the poor.

The exemption of Government bonds from taxation was barely justifiable as a war measure to sustain the national credit, but the subsequent legislation by which, after the war was over and the public credit not endangered, the principal and interest of those bonds was made payable in coin only and that coin gold coin, finds no such excuse or justification. It was a gigantic job, perpetrated in the interest of capital, from which the country derived not one dollar of benefit, and the burden of public taxation was increased for generations yet to come.

The depreciated and irredeemable paper currency of the day is made a legal tender for all ordinary business transactions, but the lordly bondholder, who pays no tax upon all his wealth, must be paid in gold, and gold only.



There is one kind of money for the rich and another for the poor man, and the poor man's money is worth 15 per cent. less than the rich man's, but it is counted good enough for him, and he must be content to take that or nothing.

Truly "they bind heavy burdens and grievous to be borne and lay them on men's shoulders; but they themselves will not move them with one of their fingers."

Our State banks, however good they may have been, have been taxed out of existence. By our system of national banks double interest is realized upon capital without violation of usury laws, and thus the current rates of interest have been increased to the borrower.

The silver dollar, which was a legal tender to any amount previous to 1873, is now a legal tender only to the amount of \$5, and beyond that amount gold only will pay duty upon imports or interest and principal of Government bonds. Millions of acres of the public domain have been recklessly voted away to gigantic railroad corporations, and the public money and credit have been pledged to the support of swindling combinations of speculators and public plunderers. The manufacturing interests of the country have been protected and enriched in utter disregard of every consideration of justice and equity to all other interests; and, in short, the entire tendency of national legislation for the past fifteen years has been to protect and promote the interests of capital and to let poverty and labor take care of themselves. The effect has been to enrich those that were already rich and to impoverish those that were already poor.

The population of our country is rapidly drifting into two distinct and widely separated classes—the independently rich, whose fortunes are rapidly and easily augmented, and the toiling, struggling poor, whose poverty tends as rapidly and certainly to destitution and distress.

Under our own observation princely fortunes have been amassed with a rapidity unknown at any period in our history, and scores of millionaires may be found in every commonwealth of the land; such are the facilities by which the rich become rapidly richer, and at the same time never before in our history were the humbler classes of farmers, mechanics, and laborers so sorely distressed and so rapidly approaching destitution.

What, then, is the remedy by which our loved country may once more be restored to its wonted prosperity? Certainly it is not to be found in a further pursuance of the system which has brought us to our present deplorable condition. It is to be found in a thorough and radical change of the laws by which our material interests are at present controlled. The attention of our law-makers must be directed to the root of the evil.

The middle classes and the poor must be protected in their interests, and when we shall have brought relief to the door of the cottage and lifted the yeomanry of the country from the mire of despair into which they are now so deeply sunken, we shall have laid anew the chief corner-stone of our national prosperity.

Princes and lords may flourish or may fade;  
A breath can make them as a breath can make;  
But a bold peasantry, their country's pride,  
When once destroyed, can never be supplied.

Remove the burdens from the shoulders of the farmers, the mechanics, and the laboring men and women of the country that are now so unjustly and unequally imposed upon them, and place them where they rightfully belong, upon the capital and property of the country. Remove the tax from fermented liquors and tobacco altogether and reduce the tax upon distilled spirits to fifty cents per gallon at once, as proposed in the Meade bill now before the House. Past experience shows that a larger amount was brought into the Treasury from a tax of fifty cents per gallon than from any other rate. It would remove the temptation to frauds upon the revenue that are now practiced to such an extent as to bring disgrace upon the nation and cause every honest citizen to blush for his country. It would break up the "whisky rings" and all that villainous horde that have plundered the Treasury of millions of the people's money. It would not pay to steal so small an amount and run the risk of detection and exposure.

Reduce this tax to fifty cents, I say, and remove it altogether at the earliest possible period. Abolish the duties upon sugar and quinine and all such articles as are used equally by all classes, and impose duties upon manufactured goods so as to bring revenue into the Treasury and not prohibit their importation entirely. By doing this we will relieve the poor people of the country of a burden of more than a hundred millions annually. We will remove the hindrances that obstruct the prosperity of our agriculture and give a new impulse to every avenue of trade and commerce. In addition to this, let us institute a rigid economy in the management of our public affairs. Stop the stealing by officials in high and responsible positions of the public service and bring the thieves speedily to the bar of public justice to answer for their crimes, and *punish* them when found guilty.

Already has a democratic House saved \$30,000,000 to the people of the country in the appropriations for the expenses of the present year, and a much larger sum would have been saved but for the resistance of a republican Senate.

For the deplorable condition of affairs now existing in the country the misrule of the republican party is entirely responsible.

The means of prosperity for all classes of our citizens abound in the land to a greater extent than ever before. With good rulers at the head of the Government, whose only ambition would be to promote their country's good, we can again be a prosperous and a happy people.

For three-fourths of our national existence and guided by democratic principles the nation was prosperous and the people happy. Under no other method of administration has the country ever fared so well, and the people—the great, mighty, surging masses—are longing again for their former rulers. "Weighed in the balance and found wanting," is the verdict everywhere of the sober minded against the republican party. "*Mene, mene, tekel upharsin*" is the handwriting plainly visible upon the walls of every Department of the Government, and the knees of our modern political Belshazzar are made to smite the one against the other for very fear of the day of retribution that is now near at hand.

I have faith in the final verdict of the people. The mills of the gods grind slow, but they grind exceeding fine. The popular mind is becoming at last aroused to the realities of our perilous condition and the sources from which our dangers spring, and before the Ides of the coming March I firmly believe that an indignant people will hurl from their high places those who have so long trampled their interests under foot and turned a deaf ear to their cry of distress.

#### Pennsylvania Border Claims.

### SPEECH OF HON. LEVI MAISH, OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

August 12, 1876,

On Pennsylvania border claims.

Mr. MAISH. Mr. Speaker, in the early part of this session I presented to the House a bill (H. R. No. 1649) to re-imburse the State of Pennsylvania for moneys paid to certain of her citizens for losses sustained by invasion during the late war, and also to pay the State certain unpaid claims for such losses now on file in the office of the auditor-general of said State for payment to the claimants.

My friend and colleague [Mr. STENGER] and myself, representing as we do nearly all the counties in which these losses occurred, were anxious to bring this bill to the consideration of Congress at this session. It, however, became apparent that this could not be done. We cherish the hope that Congress at its next session, upon a full and fair discussion of the bill, will recognize the justice of this claim and liquidate it as becomes a great nation; and I have risen merely to call attention to this measure and inform the House that its friends purpose pressing it upon the attention of Congress then with a view of having the question brought to a test.

The State of Pennsylvania has paid \$300,000 of these claims, and those that remain unpaid were carefully adjudicated by a commission acting under a law of the State and filed in the office of its auditor-general. And the executive of the State was charged with the duty of making the demand for their payment from the General Government.

Pennsylvania has by her action shown her faith in the justice of these claims and her determination to demand their payment. She will persist in making this demand until the principle upon which they are founded has been fully and fairly settled one way or the other.

It is not my purpose now to enter upon an extended argument. When the proper time arrives, I trust it will be the privilege of myself and colleague, [Mr. STENGER,] as it will be our pleasure, to submit some observations in support of this bill. The preamble pretty fully sets forth the basis on which these claims are founded. Appreciating the dangers of a long line of exposed border, the Legislature of Pennsylvania in May, 1861, provided for the defense of her territory. She organized for that purpose the Pennsylvania Reserve Corps, that splendid body of men which gained so much renown in and shed so much luster upon the Union Army during the late war. This corps, it will hardly be denied, would have protected our citizens against the frequent invasions and depredations made by small bodies of the enemy; and, aided by the large army of emergency troops that rallied to the defense of our State upon a moment's warning, it is my belief that no rebel foot would ever have trod upon the soil of our State. These troops were taken from us by the General Government and mustered into the Union Army. The State had furnished her full quota of men and performed all her obligations to the national Government. Her citizens were true to the Union and peace prevailed among them. When these invasions were made, she received no assistance from the General Government. The State was invaded; her beautiful fields, teeming with fertility year after year, were laid waste. The flourishing town in which my colleague has his home was destroyed by fire and thousands of the citizens of our State were impoverished.

When Pennsylvania entered the Federal Union and gave up her war powers to the General Government, she did so upon the under-

standing that the latter would afford to her inhabitants protection in time of war or insurrection. This not having been granted her, after she had performed all her obligations to the General Government, it is claimed that she is entitled to indemnity for the losses sustained by her inhabitants, for their use. Under such circumstances, what was sacrificed in the common defense should, it seems to me, be paid out of the common fund.

Reduction of Expenditures During the Four Years Ending June 30, 1876.

## SPEECH OF HON. J. A. GARFIELD,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

July 29, 1876.

The House having under consideration the State of the Union—

Mr. GARFIELD said:

Mr. SPEAKER: In the year 1872, soon after I became chairman of the Committee on Appropriations, I made an analysis of the expenditures of the Government from the official records of the Treasury Department, with a view to classifying them in such a manner as to make the various kinds of expenditures easily understood. I divided

all the expenditures, exclusive of payments on the principal of the public debt, into three groups. The first embraces all those expenditures that grew directly out of the war. It did not include the very large incidental expenses of the war, such as the increase of the clerical force in nearly all of the Departments, but included only those items about which there could be no doubt that they were occasioned directly by the war itself.

The second group consisted of expenditures for the Army and Navy in time of peace, but did not include those civil expenditures under the control of the War Department for rivers and harbors and similar public works.

The third group consisted of the expenditures for the civil service proper.

This analysis was continued year by year down to and including 1874. It was continued at the present session by the gentleman from Maine, [Mr. HALE.] And now that the fiscal year ending June 30, 1876, is closed, I have obtained from the Treasury Department a similar analysis for that year and present it in the following table, which includes the four years 1873, 1874, 1875, and 1876; being the four years for which appropriations were made when I was chairman of the Committee on Appropriations.

It will be remembered that near the close of the last session of the Forty-third Congress I reviewed the appropriations and expenditures up to that time, and expressed the opinion that the work of the four years would show a reduction of at least \$30,000,000 in the expenditures of the Government during that period. But the value of any speculative opinion can only be tested by time; and the following table speaks for itself:

### Comparative statement of expenditures during the fiscal years ending June 30, 1873, 1874, 1875, and 1876.

AMOUNTS PAID ON ACCOUNT OF EXPENSES GROWING DIRECTLY OUT OF THE LATE WAR.

Object.	1873.	1874.	1875.	1876.
Joint Select Committee on Alleged Outrages in Southern States.....	\$1,087 20			
Investigations in relation to elections in Louisiana and Arkansas.....	20,000 00			
Payment of judgments of Court of Claims.....	429,034 70	\$378,567 10	\$316,531 33	\$897,833 29
Southern claims commission.....	52,800 04	53,800 00	51,800 00	50,800 00
Tribunal of arbitration at Geneva.....	62,210 22	6,968 49		
Expenses of national currency, (re-imbursable).....	161,634 84	173,688 83	330,978 27	440,157 87
Re-issuing of national currency.....			64,344 76	
Expenses of national loan.....	2,806,863 94	1,878,569 55	1,584,113 88	1,931,698 53
Refunding national debt.....	54,736 83	702,726 85	150,255 51	708,353 15
Assessing and collecting internal revenue, including payments of drawbacks and amounts illegally collected.....	6,687,039 49	5,732,164 33	5,188,513 31	5,279,899 47
Defending claims for cotton seized.....	52 95	10,626 53	14,290 75	1,016 50
Salaries of direct-tax commissioners.....	540 55			
Expenses of collecting direct tax in Delaware.....	22 46			
Repayments for lands sold for direct taxes.....	9,075 00	44,147 91	35,920 09	12,450 00
Return of proceeds of captured and abandoned property.....	1,960,679 20	2,545,375 45	840,619 34	1,026,646 61
Collection of captured and abandoned property, records and evidence respecting same.....	84,450 50	14,573 00	630 50	6,549 74
Refunding internal taxes illegally collected.....	1,507 44	478 36	893 00	57 08
Refunding proceeds of cotton seized.....	3,232 00	123,627 03	36,938 72	21,614 36
Premium on bonds purchased in currency.....	5,105,919 90	1,395,073 55		
Payment of interest on the public debt.....	104,750,688 44	107,119,815 21	103,093,544 57	100,213,271 23
Bounties.....	465,049 14	1,444,088 44	307,111 44	245,020 61
Keeping, transporting, and supplying prisoners of war.....	253,080 11	123,941 36	2,193 35	
Military telegraphs.....	17,220 36			
National cemeteries.....	431,219 23	284,900 15	303,858 76	328,628 53
Maintenance of steam-rails.....	14,548 93			
Gunboats on western rivers.....	33,408 28	650 00		
Providing for comfort of sick and discharged soldiers.....	1,305 79	829 10	9 34	
Payment of stoppages or fines due National Asylum for Disabled Volunteer Soldiers.....	193,750 59	440,221 67	911,505 12	
Traveling expenses of California and Nevada volunteers.....	28,000 00	34,285 56	10,185 15	7,000 00
Traveling expenses of First Michigan Cavalry.....	500 00	959 88	2,000 00	
Commutation of rations to prisoners of war in rebel States.....	2,000 00	7,000 00	4,000 00	6,000 00
Draft and substitute fund.....	42,732 84			
Appliances for disabled soldiers.....	8,000 00			10,000 00
Transportation of insane volunteer soldiers.....	1,000 00			
Support of Freedmen's Hospital and Asylum, Washington, District of Columbia.....	72,000 00	51,284 90	50,309 50	45,000 00
Support of Bureau of Refugees, Freedmen, and Abandoned Lands, (regular).....	93,924 79			49 68
Support of Bureau of Refugees, Freedmen, and Abandoned Lands, (transfer).....	12,871 95	24,432 00	34,513 61	
Horses and other property lost in the military service.....	99,975 85	163,359 76	83,720 68	89,853 46
Re-imbursing State of Kansas for military expenses.....	336,817 37			
Re-imbursing State of Kentucky for military expenses.....	525,258 72	64,927 57	35,490 65	47,197 64
Refunding to States expenses incurred in raising volunteers.....	758,110 31	64,477 03	139,958 32	256,271 63
Defraying expenses of minute-men and volunteers in Pennsylvania, Maryland, Ohio, Indiana, and Kentucky.....	28,762 32			
Supplying arms and munitions of war to loyal citizens in revolted States.....	943 33			
Capture of Jefferson Davis.....	2,051 00			293 00
Claims of loyal citizens for supplies furnished during the rebellion.....	927,910 12	122,025 24	1,265,170 40	7,800 00
Bounty for destruction of enemy's vessels.....	133,802 28		50,419 32	
Payment to captors of rebel ram Albemarle.....	292,912 90			270 51
Payment to officers and crew of United States steamer Kearsarge.....	141,377 01	16,933 31	2,040 87	28,257,393 69
Pensions.....	29,359,426 86	29,038,414 66	29,456,042 89	85,694 04
Reliefs and miscellaneous.....	777,748 78	5,836 19	374,217 42	39,131 98
Defending suits and claims for seizure of captured and abandoned property.....		36,968 50	20,124 00	167,566 85
Pay of two and three year volunteers.....		418,537 45		
Collecting, drilling, and organizing volunteers.....		171,032 50		
Prize-money to captors.....		318,160 04	479,982 22	356,247 07
Payment of shares on captures made by Admiral Farragut's fleet in the Mississippi River.....		603,520 00	362,600 00	
Payment to captors of rebel steamer Sumter.....		100,000 00		
Alabama claims commission.....			84,374 70	112,915 01
Awards to British claimants.....			1,929,819 00	
Re-imbursing State of Indiana for military expenses.....			11,218 96	
Publication of official records of the war of the rebellion.....			20,000 00	45,000 00
Claims for quartermaster's stores and commissary supplies, act July 4, 1864.....				95,149 95
Monument to soldiers who died in prison at Salisbury, North Carolina.....				10,000 00
Examination of rebel archives and records of captured and abandoned property.....				5,421 76
Total.....	157,262,415 81	154,171,130 50	147,882,034 75	140,919,679 23



Comparative statement of expenditures during the fiscal years ending June 30, 1873, 1874, 1875, and 1876—Continued.

Object.	1873.	1874.	1875.	1876.
<b>MILITARY AND NAVAL ESTABLISHMENTS.</b>				
For the Army, (after deducting payments for the late war, already mentioned in group 1, exclusive of improvements of rivers and harbors and other public works).....	32,524,542 64	30,224,677 47	29,408,309 82	29,882,452 36
For the Navy.....	21,474,433 61	28,468,638 22	18,906,189 68	17,335,832 30
Total.....	53,998,982 25	58,693,305 69	48,314,499 50	47,218,284 66
<b>CIVIL SERVICE PROPER, BEING ALL THE EXPENDITURES NOT NAMED IN FIRST AND SECOND GROUPS.</b>				
<b>1. The civil list:</b>				
Including expenses of legislative, judicial, and executive officers of the Government, exclusive of Internal Revenue and Customs Departments.....	16,096,221 32	17,342,910 67	18,099,435 15	17,968,499 60
Increase of salaries by act of March 3, 1873.....	1,948,210 04			
Foreign intercourse.....	1,292,108 49	1,301,523 47	1,118,768 52	1,255,505 52
Indians.....	7,946,690 53	6,692,462 09	8,384,830 15	5,966,553 17
Expenses of Mint, Coast Survey, Light-House Service, Revenue-Cutter Service, and Marine Hospital Service.....	4,812,183 58	5,040,544 84	5,220,091 91	5,493,584 67
Cost of collecting customs duties, (exclusive of Revenue-Cutter Service and building and repairing custom-houses,) including the refunding of excess of deposits and amounts illegally collected.....	12,586,045 93	13,293,542 74	11,229,414 09	12,545,719 98
Deficiencies in the revenues of the Post-Office Department.....	4,765,475 00	4,214,044 71	6,561,046 10	4,517,540 36
Mail-steamship service.....	725,000 00	680,000 00	630,000 00	575,000 00
Expenses of eighth and ninth censuses.....	105,762 44	108,841 64	13,074 38	5,537 81
Survey of public lands, and land funds to States.....	1,401,971 27	1,395,910 13	1,461,047 14	1,275,096 19
Government of Territories.....	271,985 76	300,789 69	290,416 77	315,630 75
Steamboat-inspection service.....	221,917 50	222,109 75	212,392 02	222,154 82
<b>2. Extraordinary expenses:</b>				
Investigation of senatorial election in Kansas and Mississippi.....	20,000 00			10,000 00
Survey of boundary between United States and British possessions.....	2,304 63	160,000 00	39,865 00	34,000 00
Commissioners to international penitentiary congress at London.....	5,000 00			
Copies of proceedings of same.....	1,362 65			
International exposition at Vienna.....	111,146 26	37,791 74	6,172 66	8,731 95
Payment for coins, medals, &c., destroyed by fire at Chicago.....	370,813 24	65,944 76	869 04	3,172,409 52
Miscellaneous.....	1,662,634 86	2,547,950 42	2,736,870 50	1,690,465 30
International exhibition of 1876.....			26,200 00	
Relief of persons suffering from overflow of Mississippi River.....			160,034 33	
Relief of persons suffering from ravages of grasshoppers.....			171,947 26	
Expenses attending visit of the King of Hawaiian Islands.....			19,979 96	
Restoration to family of Marquis de Lafayette of watch presented to him by General Washington.....			241 00	
<b>3. Public works:</b>				
Custom-houses and post-offices, and repairs and preservation of same.....	3,270,329 90	4,330,448 92	3,956,326 77	2,832,003 25
Marine hospitals.....	61,928 74		65,087 74	
Light-houses and repairs.....	1,408,851 49	1,040,788 53	1,413,919 95	1,101,513 12
Court-houses and post-offices, and building for State, War, and Navy Departments.....	5,352,452 34	4,006,952 25	5,814,385 84	2,595,299 89
Arsenals and armories, and Military Academy buildings.....	916,476 33	702,965 71	622,553 07	374,267 94
Forts and fortifications.....	1,801,766 92	2,263,991 22	1,128,960 31	943,193 63
Rivers and harbors.....	6,371,687 32	5,511,345 24	6,360,811 18	5,320,605 35
Navy-yards.....	1,370,567 06	1,240,381 32	1,565,320 41	1,270,859 91
Interior Department building.....	10,000 00		20,000 00	85,000 00
Buildings for Government Hospital for Insane, Columbia Hospital, and Columbia Institution for Deaf and Dumb, &c.....	179,800 00	51,697 46	154,337 29	86,363 81
Improvements of public grounds, streets, and avenues in the city of Washington, including Washington aqueduct and bridges across Potomac River, extension of Capitol grounds and Capitol building, &c.....	4,062,915 08	1,936,430 22	898,900 14	506,141 78
Total.....	79,083,847 37	74,269,437 57	78,427,856 59	70,321,733 41
Grand total.....	290,345,245 31	287,133,873 76	274,623,392 84	258,459,797 33
<b>TOTAL EXPENDITURES BY YEARS.</b>				
First group.—Amount paid directly on account of the war.....	\$157,262,415 81	\$154,171,130 50	\$147,882,034 75	\$140,919,679 23
Percentage of the whole for each year.....	54	53.3	43.7	54.5
Second group.—Army and Navy.....	\$53,094,983 25	\$58,693,305 69	\$48,314,499 50	\$47,918,324 66
Percentage of the whole for each year.....	18	20.4	17.5	18.3
Third group.—Civil service proper.....	\$79,083,847 37	\$74,269,437 57	\$78,427,856 59	\$70,321,733 41
Percentage of the whole for each year.....	27	25.9	28.6	27.2
Total.....	\$290,345,245 31	\$287,133,873 76	\$274,623,392 84	\$258,459,797 33

NOTE.—The expenditures for the civil list in 1874 include \$1,469,790.53 for official postage-stamps used by the various Departments; those for 1875 include \$1,022,165.13, and for 1876 \$1,150,190.36 for the same object. No corresponding item appears in the expenditures for 1873.

## TREASURY DEPARTMENT, OFFICE OF THE SECRETARY.

July 27, 1876.

SIR: In compliance with your request of the 11th instant, I have the honor to transmit herewith a comparative statement of expenditures during the fiscal years 1873, 1874, 1875, and 1876, showing amounts paid on account of expenses growing directly out of the war, expenses of military and naval establishments, and the expenses under head of civil service.

I am, very respectfully,

CHAS. F. CONANT,  
Assistant Secretary.Hon. J. A. GARFIELD,  
House of Representatives.

From this official exhibit it will be seen that the expenditures, under the first group, that have grown directly out of the war, have been reduced from \$157,250,000 to a little less than \$141,000,000; for the Army and Navy proper, from near \$54,000,000 to a little more than \$47,250,000; for the civil service proper, from \$79,000,000 to \$70,323,333, and that the aggregate reduction of expenditures during that period of four years is nearly \$32,000,000.

It will be seen that 54 1/2 per cent. of all the expenditures for the fiscal year ending June 30, 1876, grew directly out of the war.

When the current fiscal year shall have ended and a similar analysis is made, we can judge precisely the merit of the work of this session. I shall not stint any just praise due to this House for whatever good work it has accomplished in that direction. But much the largest share of reductions that have been made in the bills already

passed, and those yet to be acted upon by the House, have been postponements of necessary appropriations, and not an actual mustering out of expenditures. I make this statement for the purpose of doing justice to the work already done, and also of laying the foundation of a just estimate of work done at the present session.

## The so-called Sectarian School Amendment.

SPEECH OF HON. EDWIN R. MEADE,  
OF NEW YORK,

## IN THE HOUSE OF REPRESENTATIVES,

August 5, 1876.

The House having under consideration the joint resolution (H. R. No. 1) proposing an amendment to the Constitution of the United States—

Mr. MEADE said:

Mr. SPEAKER: At intervals in the history of our country have been observed strongly marked appeals to prejudice, not to say fanaticism, and a recurrence to the more noted of these disclose what

the elder Weller would term "a remarkable coincidence" with the expiring throes of the political organization which for the time being has been in opposition to the democratic party. It may be said, in accordance with a logic which sometimes prevails, that the democratic party must therefore be responsible for these appeals; but whatever may be the sins which that party may have to answer for, it has never entertained or practiced proscription.

It is within the recollection of many upon this floor when a pretended *exposé* of Freemasonry was made the pretext for an issue which was to sustain the failing fortunes of those opposed to the severe politics of General Jackson. Then every prejudice was endeavored to be aroused to sustain the waning cause, and when all else became weak and vapid, the corpse of Monroe was brought into the market-place as that of the alleged victim of Freemasonry, while the utterance went secretly forth that it was a good enough Morgan until after the election. The sincerity of this movement was finally exemplified in the selection by the anti-masonic party of life-long Freemasons for candidates for the most prominent offices. Again, when the whig party approached its dissolution, were found those willing to conjure up that demon of discord, know-nothingism, though it repudiated the first principles of our Federal organization and the vital elements of the Constitution; and yet though we have beheld its shadow approach the chair now occupied by you, Mr. Speaker, it in its turn was repudiated and finally consigned to the potter's field of political make-shifts.

I do not, therefore, claim that the country was entirely unprepared for the reception of the new issue which is now sought to be thrust upon it. The decline of the same party of opposition after fifteen years of political control should have alone warned us that some new one of the many protean forms of intolerance was to be called into service, and it required but little forecast to perceive at this time a religious hue was to be given to the subject. The success of one of England's prime-ministers in procuring a restoration to power by employing his hours of retirement in producing the gilded romance of *Lothair*, and the not yet so successful but more conspicuous efforts of another ex-prime minister in presenting a political expostulation against the decrees of a great church, were events not likely to be overlooked or wanting imitators under the straitened circumstances of that party which met such ignoble defeat at the November election of 1874. When, where, how this new issue was to be brought forth were questions which remained unsolved until the President of the United States, departing from his rule of reticence, made the occasion of the convention of the Army of the Tennessee at Des Moines in September, 1875, one for the delivery of an apparently carefully prepared speech, having for its evident purpose, to say the least, to provoke a response which would justify its utterance. It is true some faint rumors of the approaching event had been suggested through the columns of an illustrated radical periodical, but nothing having an authoritative or fixed character had appeared until the Des Moines speech, and if the intent was to provoke irritation and opposition, then it was a signal failure, for no audible response was heard throughout the land.

A few extracts from this remarkable effort will suffice. The President says:

I do not bring into this assemblage politics, certainly not partisan politics, but it is a fair subject for the soldiers in their deliberations to consider what may be necessary to secure the prize for which they battled.

Then again:

If we are to have another contest in the near future of our national existence, I predict that the dividing line will not be Mason and Dixon's, but between patriotism and intelligence on the one side and superstition, ambition, and ignorance on the other.

And still further on we have:

Encourage free schools, and resolve that not one dollar appropriated for their support shall be appropriated for the support of any sectarian schools.

I need not quote more extensively from this remarkable production, which is so familiar to every reader of general literature in this country; but, from what has been already submitted, who is so blind as not to perceive that this language was deliberately and willfully prepared to incite rancor and hatred in the breasts of our fellow citizens; that the wish must have been father to the thought, whose expression intended an incitement, having for its immediate object to influence the Ohio election which was then impending?

Now, in view of the fact that the election in Ohio in 1875 was carried, as is generally understood, by reason of the unfair introduction there of what has been termed "the school question," it is refreshing to peruse from a letter bearing date Augusta, Maine, October 20, 1875, written it is said to a prominent Ohio gentleman:

MY DEAR SIR: The public-school agitation in your late campaign is likely to break out elsewhere, and occurring first in one State and then in another, may keep the whole country in a ferment for years to come. This inevitably arouses sectarian feeling and leads to that bitterest and most deplorable of all strifes, the strife between religious denominations. It seems to me that this question ought to be settled in some definite and comprehensive way, and the only settlement which can be final is the complete victory for non-sectarian schools. I am sure this will be demanded by the American people at all hazards and at any cost.

The writer concludes his somewhat lengthy letter by proposing the amendment later in the same year offered in this House, and says:

This you will observe, does not interfere with any State having just such a school system as its citizens may prefer, subject to the single and simple restriction that the schools shall not be made the arena for sectarian controversy or theological disputation. This adjustment, it seems to me, would be comprehensive and conclusive, and would be fair alike to Protestant and Catholic, to Jew and Gentile, leaving the religious faith and the conscience of every man free and unmolested.

I should have added that the author of this letter is the distinguished gentleman from Maine lately a member of this House, and who I have no doubt has had great influence in molding public opinion on the subject. Anything from that gentleman always receives attention, and nothing ever uttered by him was so gently persuasive as the foregoing. One susceptible youth in particular was moved by it, who also wrote a letter, which met with the peculiar fate of getting into wrong hands, and so found its way into the papers, and it contains an earnest invitation to the writer of the above to join a secret anti-sectarian order, "which will no doubt exert a potent political influence in the next presidential election." It is so richly suggestive that I quote it entire, as published in the *Augusta Standard* of December 10, 1875:

OFFICE OF EVENING COURIER.  
Newark, New Jersey, November 9, 1875.

MY DEAR SIR: Eighteen months ago I told you that you could have New Jersey in 1876. I wish now to emphasize that statement. All our people are for you, and we can carry the State beyond peradventure.

Our danger is that the West will demand the nomination. This can be averted, of course, by a union of New England, the Middle States, and stray votes from the South. A potent factor in our next convention will be the secret anti-Catholic order. Grant is a member, and it has a good deal of strength in Congress. I think you ought to go in. It can be arranged so that you can be initiated anywhere by one person. The order is spreading widely. My obligations do not permit me to say more than this, except that Grant no doubt relies upon it to promote his aims.

With wisdom at Washington and in the States we have carried we can surely hold the country. But to hold it for a hap-hazard candidate is hardly worth the candle. For one of a vast multitude I want to hold it for you. Excuse this scrawl, and believe me, yours, very truly,

JNO. Y. FOSTER.

HON. J. G. BLAINE.

The concluding paragraph, while not exactly germane to the subject under consideration, indicates the tendency to prophetic vision in the writer.

Foster, it is true, has not been summoned before any committee of this body to explain how this letter became public, but when we shall have obtained general legislative jurisdiction of the subject-matter, he will doubtless then be relieved for a time from the arduous duties of clerk of the New Jersey Assembly, that "he may rise and explain." "That Grant belongs to the same secret anti-Catholic society" and that "it has a good deal of strength in Congress" are statements that ought to have settled things down in Maine if the introduction of the constitutional amendment had not already been decided on. In his annual message to this body in December last the President, if we are to believe Mr. Foster, carried out his obligation to the secret society of which he is a member by proposing a constitutional amendment respecting schools, and the further suggestion, lest there should be any want of inflammability in the first, providing for the taxation of church property.

I have not recently heard much concerning this latter provision, because, as I am informed, it re-acted, like a boomerang, where least expected. But the gentleman from Maine did, on one of the first days of this session, introduce as an amendment to the Constitution a joint resolution, as follows:

No State shall make any law respecting an establishment of religion, or prohibiting the free exercise thereof; and no money raised by taxation in any State for the support of public schools, or derived from any public fund therefor, nor any public lands devoted thereto, shall ever be under the control of any religious sect; nor shall any money so raised or lands so devoted be divided between religious sects or denominations.

The Cincinnati platform and the letter of the presidential nominee of the opposition party completes the history of this new movement which is sought to be developed into an aggressive element of the coming political campaign.

I will not attempt criticism on this proposed law which has been shorn of its more objectionable features by the wise addition by the Judiciary Committee of a provision which will hereafter preclude Federal interference except as may be necessary by the Supreme Court to compel an obedience of this new law. Whether its author intended a race for popularity with the oracle of Des Moines I do not undertake to say, and how far such rivalry or such devotion would be appreciated by the sect or denomination most likely to be recognized I am also unable to state. But from the perusal of the foregoing political and rhetorical offering the inquiry naturally arises, why this sudden cause or pretense of alarm? Is this remarkable action because any one denomination is becoming numerically so much stronger than the rest? Has any denomination or sect attempted interference with our political institutions, and is it by reason of its numbers likely to prove politically formidable or dangerous? Surmising as I do who may have been aimed at, I have made the following compilation from the census of 1870 as showing the membership of the various denominations in this country; and certainly no occasion for alarm is observed in this exhibit:

Denominations.	Edifices.	Sittings.
Baptist .....	12,857	3,997,116
Congregational .....	2,715	1,117,219
Episcopal .....	2,601	995,551
Friends .....	662	224,664
Jewish .....	152	73,265
Presbyterian, (regular) .....	5,623	2,194,900
Roman Catholic .....	3,906	1,900,514
Methodist .....	21,337	6,328,209



The historical and incidental account which I have rendered of the growth of this new idea or movement sufficiently explains to my mind its real purposes, which now by the action of the Cincinnati convention are sought to be made a leading political issue. As a rule our people are more devotedly attached to our public-school system than to any other of our numerous political institutions. It is that esteem, that love which is appealed to, while the real object of attack is held up to divert the urgent inquiry which exists in the public mind concerning the late administration of governmental affairs; but I little understand the sentiment of this country if this deception will be allowed to succeed and if all such efforts will not prove abortive. The real danger which exists toward our public schools is not from religious opposition, but from partisan political interference. Nearly all our States have at the present time school laws with which their citizens are not only satisfied but of which they are justly proud, and any interference with them on the part of the Federal Government would be indeed revolting; and I can scarcely believe that a greater insult could be conveyed to the sense of independence and self-government which animates our people than to have our school systems placed under the control of the Federal Government and a host of hungry and ignorant officials who "though gorged to the throat are lean and ravenous still." Nor is it sufficient to say that the adoption of any amendment in the constitutional mode prescribed ought to be satisfactory. A covert attack upon any religious denomination is in conflict with one of the articles of the Constitution itself, and as having reference to the school subject, it is such an interference, and uncalled for, too, with the local affairs of the State as to be contrary to and in violation of the spirit of the original compact. That compact was made with special reference to subjects here involved. Without the reservation to States which that instrument permitted, it would have failed in instances to secure ratification. The circumstances in this respect have not since changed, and it would ill become a majority approaching even unanimity to force upon a single State so obnoxious a provision because the constitutional power exists to do so.

The school laws which govern my own State, and especially the city in which I reside, have been the growth of many years and of careful and matured consideration of our wisest citizens, and while defects in them there may be, yet we have reason to feel a just pride in consequence of the system which has resulted; and I venture to say that it has never occurred to any considerable number of our citizens either before or since the remarkable manifestation at Des Moines that it was necessary for us to call in the aid of the Federal Government to sustain us in maintaining our schools, and I have yet to hear the first appeal of responsible origin in my State to the Federal Government for its protection. Its laws respecting its common-school system require no defense here, but lest any one may have imbibed an erroneous impression respecting them and the application of moneys thereto, I take the liberty of reading from the statutes of New York section 18 of the law governing the board of education of our city. It reads as follows:

No school shall be entitled to or receive any portion of the school moneys in which the religious doctrine or tenets of any particular Christian or other religious sect shall be taught, inculcated, or practiced, or in which any book or books containing compositions favorable or prejudicial to the particular doctrines or tenets of any particular Christian or other religious sect, or which shall refuse to permit the visits or examinations provided for in this act. But nothing herein contained shall authorize the board of education to exclude the Holy Scriptures, without note or comment, or any selections therefrom, from any of the schools provided for by this act; but it shall not be competent for the said board of education to decide what version, if any, of the Holy Scriptures, without note or comment, shall be used in any of the schools: *Provided*, That nothing herein contained shall be so construed as to violate the rights of conscience as secured by the constitution of this State and of the United States.

It may have occurred to the casuist that this law, as liberal as it was undoubtedly intended to be by its framers, contains material defects; but I presume that the mover of the proposed amendment to the Constitution will not complain on account of them, and, whether or no, I feel safe in saying that the people of the State of New York are amply able to deal with this question whenever it is presented to them. From the necessity of the case it would seem that in framing a general school law some injustice must be done to those who regard religious education to be a necessary and material element in the common-school education of the country, and I have all along believed that the time would come when even this appearance of injustice might be obviated, and when all denominations and all beliefs might stand on an equal footing respecting the application of the common-school fund. It may be a matter of years or of a century, but it is inevitable, in my mind, that in the development of education in this country, which brings all men to a common mind, the obvious injustice of discrimination against any of our tax-paying citizens who may choose to have different or peculiar ideas respecting religious education in schools will be in a great degree and substantially mitigated; but I desire to add here that I have no connection with any denomination which justifies me in speaking for it, and I have only aimed to treat the subject in its general aspects and as I feel the injustice of Federal interference in matters which to my mind are purely of individual conscience or State concern.

As before remarked, the amendment as modified is far less objectionable than in its original form. I deprecate, however, any action on the religious-school question here, but I shall in this instance surrender my personal views and give in my adherence in the hope that we may, by adopting this amendment, remove the pretense for an un-

seemly agitation; for while the subject is one which does not properly belong to the arena of partisan politics, so I would submit to this amendment that we may avoid its introduction there. When deprived of its necessary stimulant of opposition the vitality of this new movement will cease, the intolerant spirit which now animates it will depart, and it will take its place in history along with witchcraft and other evidences in times past of a crack in the public cranium, and in our later times of the approaching dissolution of the enemies of democracy.

The Causes of Discrimination in the Transmission of our Products.

## SPEECH OF HON. JAMES WILSON, OF IOWA,

IN THE HOUSE OF REPRESENTATIVES,

August 4, 1876.

On the causes of discrimination in the transmission of our products.

Mr. WILSON, of Iowa. Mr. Speaker, I desire to call the attention of the House to our transportation interests that have been too much neglected by Congress, and to a particular feature, the existence of which has been long suspected, but not heretofore brought to light, mainly because Congress has been slow to take up the subject of transportation in any of its relations, and no less authority than the national Legislature could bring out the facts as they relate to interstate commerce. It has long been suspected that the evils connected with transportation have grown out of discriminations against our different industries in the interest of favored individuals inside and outside of the railway companies, and, while many industries suffer, no increased benefit in consequence of such discrimination results to the stockholder.

I must also observe that the reluctance which many eastern Representatives have to congressional action on this subject should be overcome, if it can be shown that not only the patron of the railroad is being robbed and ruined, but the owner as well, and that in most cases where complaint is heard the cause is brought about in the interest of special shippers. While the evils existed principally in the West, it was difficult to obtain a patient hearing. The eastern members reflected that his constituents furnished the money to build the roads, and the ungrateful West that had derived all the benefit forthwith set about confiscating the property. Western fields are rich and western men do not count closely. Railroads might make successive construction companies and boards of directors and their favorites wealthy and nobody in the Mississippi Valley go hungry or barefooted. It has so far been beyond the ingenuity of monopolists to stop the growth of our Northwestern States or check the ambition of their citizens. But such is not the case with regard to interests farther East, where great industrial interests, that work on close margins and give employment to many thousands of workmen, are prostrated by discriminations against them, their capital made worthless and distress attending employer and employé. I surely do not need to apologize to any one in this day of the universal prostration of our industries for calling the attention of the House to this evil and urging the adoption of remedies before adjournment.

This is a time when every facility should be extended that it is in the power of Congress to extend, not only to enable many men to prosper but to exist, and if we would contribute what is our duty and in our power to give—legislation that shall protect where we only can protect, in order that the distinguishing features of American society may be preserved—it is high time the subject be vigorously handled and the means of comfortable living that our land affords to all its children be not unduly taxed by grasping men, resulting in two classes of society that are the weakness and bane of every country burdened with them, the very poor and the very rich.

During the past ten years or since the enormous increase of money created by the late war permitted and led to the consolidation of large numbers of the railroads of the country into a few lines of unwieldy length and of enormous capitals, the people of various localities throughout the whole breadth of the land have been petitioning their respective Legislatures and the Congress of the United States for protection against the exactions and impositions of these roads. It would seem to be an incontrovertible fact that the prosperity and welfare of the people living on and using these several lines are inseparably connected with that of the railways. Yet the bitterest complaints come from these people, and their complaints and grievances, when analyzed and compared, lead to but one conclusion, either that the race of transportation men has run into imbecility or that there is no quarrel between the people of any section and the railroads *per se*, but that the private interests which control the policy of the railroads are the disturbing elements and the cause of the corporate actions of which the people complain. When and wherever the bottom facts have been reached the last state of affairs has invariably been found to exist, and to this fact is to be attributed the bitter opposition which any measure in State or national Legislatures looking to a correcting of the evil meets with in the name and by the power

of the corporations complained of. The complaints seem not confined to locality or trade. The cry comes up from the grain-growing districts equally with the cattle, the lumber, the coal, the iron, the oil, and the manufacturing districts. The State Legislatures have in most instances listened and legislated so as to protect their people so far as State lines and laws could protect, but the interchange of commodities extends over all the States; the railroads each extend over several States, one corporation—it is in evidence before a committee of this House—extends over eleven States and controls a line of six thousand miles in length. The State law controlling a shipment is inoperative to further protect that shipment after it crosses its State line, and State laws cannot be relied upon to secure equity in interstate commerce, because they are wholly inoperative outside of the State, and as nearly all commerce is interstate it owes obedience to no law, as Congress has failed to enact any.

For this reason Congress has been frequently petitioned to exercise the power conferred by the Constitution to enact a law which should regulate the commerce between the States. The Supreme Court of the United States has so frequently passed upon this constitutional provision that the authority of Congress would now seem to be a matter beyond argument; but so far Congress has failed to act upon the petitions presented beyond the reference of bills to a committee or the ordering of an investigation, upon neither of which was a report ever yet made, except one bill in the last Congress.

At this session the petitioners are again at our doors, the usual reference of bills has been made, the usual investigation ordered, and the usual non-action has resulted so far as this House is formally advised.

Hereinbefore it has been asserted that the private interests of those within the charmed circle of railway management have controlled the policy and action of the railways regardless of the injury and ruin it imposed upon all outside. If this be so, it is simple justice to the people, to the railway owners, and to Congress that it should be fully made known and legislated against. The most strongly marked and conclusive exhibition of this fact is displayed in the evidence now before a committee of this House, having this question under investigation. It is in evidence that the five leading railroads of this country entered into a formal contract with a combination of less than a dozen men residing in various cities securing to these men the monopoly of the petroleum trade. Not one of them lived in the oil-producing region nor owned property there, yet those contracts formally provide that the men who produced and owned this immense product, the third in magnitude and value of our country's exports, should not be permitted to transport it over these roads.

These contracts—not mere agreements, but solemn contracts, duly executed, with the corporate seals of the railways attached—provided, not in cunningly drawn legal phrases, but in good, clear English, that the railways should use their power to overcome all competition to these men. The provision therein which I refer to reads as follows:

And it is hereby further covenanted and agreed by and between the parties hereto that the party hereto of the second part (*the railroads*) shall at all times co-operate as far as it legally may with the party hereto of the first part to maintain the business of the party hereto of the first part against loss or injury by competition, to the end that the party hereto of the first part may keep up a remunerative and so a full and regular business, and to that end shall lower or raise the gross rates of transportation over its railroads and connections as far as it legally may for such times and to such extent as may be necessary to overcome such competition.

Under this scheme the least possible yearly profit would be over \$6,000,000, without a dollar of investment by the parties. Six millions of dollars taken each year from either producer or consumer, and for what and for whom? Certainly we are not to believe that railway officials could not see that that was too much money to divide yearly among less than a dozen men. That such contracts were ever entered into was infamous; that they were committed to paper is astounding.

The people of the oil regions unearthed those contracts, secret as they were, and have produced them here, and by them they accounted for their difficulties and justified their complaints. If such contracts existed controlling that product, what contracts control the coal, the iron, the lumber, the grain, or the cattle traffic, which interests are loud in their complaints?

Congress in May last ordered an investigation of these matters. The railway contracts and agreements known to exist were called for by the committee, and the officers controlling them, some of whom, in the evidence, are alleged to be personally interested therein, were subpoenaed nearly two months since. Only one of them has appeared before the committee and not a document called for by subpoena has been produced. When before, in the history of the American Congress, did men feel strong enough to disobey its mandate with impunity and to defy its authority? Yet the committee makes no complaint; it does not invoke the strong arm of the House to vindicate its dignity; it passes over this unprecedented defiance in utter silence. Other parties implicated were subpoenaed, and again but one appeared, Mr. Payne, treasurer of the Standard Oil Company of Cleveland, it being the head and front of the alleged conspiracy.

The testimony showed the almost complete annihilation of the refining interests from the lakes to Virginia outside of this organization. He admitted that his company had been successful, had made money, had absorbed or driven out competition; but as to its arrangements with railways, by which it was enabled to accomplish this end,

(just as provided for in the contracts before referred to,) he was as prompt as was the railway witness in refusing to answer or to produce the papers he was subpoenaed to bring; yet the committee do not complain to us of this, though this man certainly is not a railway official.

It seems incomprehensible to me how this House can claim to be consistent in its conduct. We have not hesitated to bring to our bar every contumacious witness who refused to testify concerning the most insignificant matter before any committee of the House, and on refusal to answer promptly send him to jail. But when a subject second to none in general interest is being inquired into by order of the House gentlemen hesitate and refuse to do their duty. A railroad man can defy the American House of Representatives, and the publication of the fact seems to create no indignation. The enormous profits of a few favored men are to continue, and thousands of our fellow-citizens are thrown out of employment, while we look for the cause in a bad policy controlling our currency or attribute our industrial distress to an inscrutable Providence.

How valiantly we charge down upon an uninfluential private citizen who presumes to deny to us the right to drag to public gaze his private business. How very thorough we are in our investigations, sometimes even capturing by the hundred-weight the private telegrams of whoever may have used the wires to conduct his private business.

What a rare opportunity was offered the Committee on Commerce to perform a high public duty intrusted to them by the House, when the high officials of the railways refused to either testify respecting the discriminations they had been instrumental in bringing about or obey the *subpoena duces tecum* issued by the Speaker at the request of the committee.

Some men make opportunities, others have them thrust upon them, while my observation in Congress is that opportunities to conserve the public good are too rare to satisfy the desire of the member to be useful. But, rare as this opportunity to aid in the solution of the transportation problem and prevent the annihilation of our industries in this day of industrial prostration was, the Committee on Commerce let it pass; discrimination goes on, favored shippers continue to reap unusual gains, and the railway owners suffer and depression of our industries continues.

A railway director, alleged in the evidence to be in this combination, personally sits unsubpoenaed in the committee-room during its investigation. Railway counsel appear to deny the committee's power and authority. Railway presidents, directors, and minor officials have seats upon this floor. But it is not possible that we or any of us are in any other service while here than in that of the people of these United States. It is not possible that a railway official, alleged to be betraying the interest intrusted to him and ruining the people on its line, who are its patrons, and this for his own personal benefit, has a right to defy the authority of this House as these men have done.

In some sections of our country the public prints are filled with complaints of ruined trade, with charges against railway officials by name; that they accumulate large fortunes on small salaries; that they procure drawbacks for favored individuals and divide them with the recipients; that they are secretly engaged in mining, manufacturing, and trade, of which their roads are the transporters, and to the exclusion of all other individuals.

I appeal to this House to listen to these petitioners. They have a right here; they ask nothing which takes one dollar from any railway, its stock or bond holders. They do not ask us to fix prices or to restrict them, but that there shall be no discriminations, that all at any given place shall be put on an equality in transportation, so that he that ships a car-load one hundred miles shall not be made to pay more for its transportation than he that ships a car-load one thousand miles. No legitimate railway interest is harmed by the legislation asked for; it does not prohibit either competition or agreement as to prices. On the contrary, in case of such agreement, it will compel each road to adhere to it; and when railways and their managers are compelled to confine themselves to their legitimate business of transporting the products of the country, self-interest will to some extent prohibit them from imposing any charge that the products will not bear.

From many quarters comes to us the cry of distress, of idle men and depressed industries. How much of this is due to the injustice and selfishness of the transportation men of the country, instead of being attributable to currency or other questions, is well worthy of the attention of this Congress; but let it at the outset assert its right to examine and ascertain, and its power to enforce its right.

It may be thought that I am going out of my way for a subject. But there is an intimate and close relation between an Iowa farmer and an eastern manufacturer that is not equaled by the interests that are common to members of the same household. Nay, more; Iowa farmers, in many respects, are rivals in production of the staples of agriculture, and one may for some reason, and from some cause, become bankrupt, and his neighbor is not injured at all; but stop an eastern manufacturer, throw thousands of workmen out of employment, and you curtail their power to buy the bread and meat produced by the Iowa farmer. Stop the oil-refinery at Pittsburgh by such discrimination in freights that the crude oil can be taken to Cleveland, Ohio, to be refined, and the power of the workmen in Pittsburgh to buy western beef and wheat is stopped, perhaps, altogether, and he



and his family must live on the coarser foods that are raised in the West, it is true, but not with any profit.

I do not see how this House can be excused from acting on this subject. The report of the testimony has appeared every day in the daily papers of the country. I suppose that is the reason we do not have a formal report. The old custom of waiting for a committee to report before alluding to what occurred in the committee has become obsolete in this Congress. I am perhaps the last member of the House to break over the rule. But when I find the testimony taken in a committee in the hands of parties in no way connected with Congress, my scruples vanish.

It is sad to contemplate the prostrate interests of the country caused by the unlawful gains of the few. That half a dozen railroad managers may grow rich, a community must suffer. That a few favored men's families may be surrounded with luxuries more than mortal needs, distress may spread over a country-side of industrious people. That riotous plenty may pamper the beneficiaries of special rates, want, nakedness, hunger, poverty, and despair are but too common in the household of too many of our fellow-citizens.

#### Resumption of Specie Payments.

### SPEECH OF HON. G. L. FORT, OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

August 5, 1876,

On the bill reported by the Committee on Banking and Currency to repeal in part the resumption act of 1875; and also a joint resolution reported by said committee to appoint a certain commission therein named.

MR. FORT. Mr. Speaker, eight months of the session have passed, and just as we are about to adjourn the Committee on Banking and Currency brings in two bills, which its witty chairman [Mr. Cox] says are twin measures. One "to repeal a portion of the resumption clause of the act of January 14, 1875," and the other to appoint a commission to inquire "into the relative value of gold and silver" and "into the policy and best means of providing for the resumption of specie payments." And, sir, I suppose one is a soft-money twin and the other is a hard-money twin, and it may be safe to presume their parentage to be the Saint Louis nominees. The one repeals the resumption day fixed for 1879 and the other inquires of the wise men of the East what day the golden star may be seen.

The one may be interpreted to contractionists to mean immediate specie resumption and the other may be explained to greenbacks to mean perpetual paper money. And all this we are told by the other side of the House is in harmony with the Saint Louis platform. And no doubt in this they confess the truth. The Saint Louis platform, the Saint Louis nominees, and these twin measures are all harmonious. The platform has a hard-money plank with soft-money construction; the ticket, hard-money head, with soft-money tail. These twin bills mean immediate contraction or greenbacks forever. Whichever you prefer they promise you shall have. Nothing but shining gold immediately or greenbacks now and always.

What do gentlemen intend, Mr. Speaker? For one, I desire to be advised. Do they intend to repeal the resumption clause of the act of 1875 or do they intend only to strike out the day fixed, so that they may force resumption by contraction before 1879 or they may not attempt it even then, perhaps never. Mr. Speaker, I ask gentlemen to read the law as it will stand if this bill becomes a law, and tell me if it will not be susceptible of double construction. I see before me the honorable gentlemen from New York, [Mr. HEWITT], chairman of the national democratic committee, who so often speaks and who exhibits so much interest in these proceedings, and who is so watchful of one of these bantlings, and who is understood to speak for the head of the Saint Louis ticket. And I also see before me the honorable gentleman from Indiana [Mr. LANDERS] who so carefully nurses the other of these bantlings and who is understood to speak for the tail of the Saint Louis ticket. Both of these gentlemen are democrats, not altogether harmonious on currency questions it is true, yet each supporting Mr. Tilden and Mr. Hendricks on the same ticket. It would be interesting to hear either or both these gentlemen explain and tell us what is intended by that side of the House as to these measures. I will gladly yield to these gentlemen if they, or either of them, will favor the House with their views. But judging from what they have each said and done heretofore in this House, their exposition of the true intent and meaning of these measures would not be very harmonious or satisfactory to each other, and might let the double-headed cat out of the political bag. So we may not have the benefit of the hard and the soft construction of these measures.

The democratic party by the Saint Louis platform declares that the resumption act of 1875 has hindered and obstructed a return to specie payment. That act fixed January 1, 1879, as the day of resumption. And now the democratic party in this House declare that the day named in said act shall be stricken out, and leave all of the remainder of the resumption clause as it is and I now ask them whether they do not thus declare by their platform and by this bill

that if they attain power they will resume specie payment by contraction at once. Or do they mean to repeal the day fixed and never resume? The gentleman from New York [Mr. Cox] says they will resume if they elect Tilden; and I presume the gentleman from Indiana [Mr. LANDERS] will say they will postpone if they elect their ticket. But, sir, the people in my judgment will not permit the democratic party to elect, resume, or postpone. They will still commit the currency question to the republican party.

That party drove out and banished, I trust forever, the old wild-cat paper money, and issued and enforced the circulation of the green-back currency, notwithstanding the opposition of Tilden and Hendricks and their friends, and, as I am told, against the loud and frequent protests of the gentleman from New York [Mr. Cox] and against the protest of the chairman of the national democratic committee, [Mr. HEWITT], who could see nothing but ruin in this unconstitutional paper cheat and fraud as he called it at the time. The republican party can take care of it, and in due time redeem it, which will be as soon as it can be done consistently with the public welfare, and not sooner or later.

Mr. Speaker, the only road to resumption lies through the fields of industry and by the way of economy; by it alone we can reach prosperity, where specie payment awaits us.

In traveling this road we should lose no steps nor make any forced marches or be deluded by any false guides. It is no pleasure trip, no idler's way: We must toil day by day until we reach the desired result. We cannot coin a dollar in gold or silver by virtue of an act of Congress alone. We must work and earn it and dollar by dollar pay all our debts.

Mr. Speaker, it matters but little whether we vote for this bill or not. It means but little, and that little is in doubt. It cannot reach the Senate in time to be considered there this session, and perhaps it is not intended by its authors that it should. It is mere empty form, by which it is hoped, I presume, to win some favor for the democratic party. If it were a bill to repeal the resumption portion of the act of 1875, expressed in language that could not be misunderstood or misconstrued, members could vote without doubt.

Mr. Speaker, a few minutes ago while the honorable gentleman from Maryland [Mr. O'BRIEN] was addressing the House on this bill and on the Saint Louis platform, I asked him to give us the democratic plan for a return to specie payment. And he in answer made use of this language, as near as I can state it, and if I misquote him I beg him to correct me. He said:

The platform of the democratic party and the letter of acceptance of the democratic candidate for the Presidency set forth this fact, that there can be no resumption without date or with date unless the democratic administration which is to come into power reverses the action of the past administration, unless it inaugurates reform and retrenchment and economy; unless, instead of corruptly spending the people's money and dissipating the revenues of the Government, you make purity, integrity, and economy the principles of official action. That you have failed to do, and we promise to do it.

Sir, this opens a very wide field and invites a review of the present administration.

And, Mr. Speaker, the honorable gentleman from Virginia, [Mr. GOODE], a few minutes before, in speaking to this bill and for the democratic party, stated that—

The road to resumption lies in the correction of governmental abuses, in the reduction of governmental expenses, in the practice of honest simplicity and economy in public as well as in private life.

And again he said:

If we will practice the old-fashioned virtues of our sires, the day of resumption would not be far off.

This implies that, in his opinion, we do not practice economy and are not as virtuous as our sires were. I understand these gentlemen to mean that the republican Administration and republican party are dishonest, extravagant, and corrupt. I have understood before that some of the reconstructed gentlemen on that side of the House had expressed a purpose to investigate Mr. Lincoln's administration, and that if Mr. Tilden should be elected they would do it. They claim that the war could have been carried on at half the cost it was. What next may we expect? These same gentlemen abuse the republican party for extravagance, and to make good the charge they often tell us from that side of the House that the annual expenses of the Government under democratic administrations were only two or three dollars per capita per annum, whereas they are now four or five times as much.

Mr. Speaker, could not some of these same gentlemen tell us the reason why this may be so? Ay, sir, the country has a sad and sorrowful remembrance of the reason. The owners of more than two thousand millions of our bonds tell us the reason semi-annually. Pensioners who draw annuities of over thirty millions do not let us forget the reason. And, sir, the moan of constantly bereaved ones remind us of the reason why the annual expenses of a republican administration are so great. Only a week or two ago a gentleman on that side of the House who had spent four years in trying to destroy the Republic, with great vehemence denounced the administration of President Grant because its expenses, as he stated, were two hundred and seventy millions a year, while he said Mr. Buchanan's was but eighty millions.

I suppose, of course, Mr. Speaker, gentlemen do not suppose the people are fools, yet they can make these extraordinary statements for no other purpose than to affect the public mind. Sir, a very few moments of calm and unprejudiced reflection will bring every intelli-

gent mind to the conclusion that if you deduct all the expenses of General Grant's administration consequent upon and fairly chargeable to the war account and deduct the amount annually paid to reduce the national debt, you will find the other expenses of the Government are no greater than they were under Mr. Buchanan's. Sir, this is a simple matter of subtraction and addition. Figures will not lie. Sir, do gentlemen invite our attention to the last democratic administration as a model of economy; would they reform by returning to the like of its policy? Sir, I well remember that when I came to the last Congress the first vote I gave was for an act to pay a debt of \$20,000,000 borrowed by Mr. Buchanan's administration to carry on the civil service of the Government. Sir, it will also be remembered that Mr. Buchanan's administration expended all its revenues and all this twenty millions, and Mr. Lincoln found the Treasury bankrupt.

Mr. Speaker, the gentleman from Virginia, [Mr. GOODE,] swelling as if about to utter something ponderous, quoted what he called expressive language of Mr. Tilden, "Live within your means." I have just shown that the last democratic President did not live within his income by twenty millions, and if any gentleman questions this, I will refer him to the record right now.

Now, sir, how is it with the republican administration of General Grant?

The receipts into the Treasury for the fiscal year ending June 30, 1876, were from—

Customs.....	\$148,071,984 61
Internal revenue.....	116,700,732 03
Sales public lands.....	1,129,466 95
Direct tax.....	93,798 80
Miscellaneous.....	21,486,056 77

Total net receipts..... 287,422,039 16

The expenditures were—

Civil.....	\$66,958,373 78
War.....	38,070,828 64
Navy.....	18,963,309 82
Indians.....	5,966,558 17
Pensions.....	28,258,395 00
Interest on public debt.....	100,243,271 23

Total net expenditures..... 258,459,797 33

Net balance..... 29,022,241 83

Now, sir, to whom should this "expressive language" of Mr. Tilden be addressed? Judging from the past, whom should we trust? Should it be that party which when last trusted squandered all the revenues and plunged the country into debt, and a large part of which then rebelled because the people would not consent that they should spread slavery everywhere?

Yes, sir, the history of the democratic party for the last twenty years is not pleasing to either the economist or the patriot, and inspires no confidence or pride in the heart of any lover of his country.

Mr. Speaker, let us inquire carefully how much this republican administration reduced the expenditures for the last fiscal year below the preceding year.

	1876.	1875.
Civil.....	\$66,958,374	\$71,070,703
War.....	38,070,829	41,120,646
Navy.....	18,963,309	21,497,629
Indians.....	5,966,558	8,384,637
Pensions.....	28,258,395	29,436,216
Interest on public debt.....	100,243,271	103,093,541
Total.....	258,459,797	274,623,392
Reduction last year.....		16,163,595

And, sir, let us pursue the inquiry a little further and see how steadily and how considerably the expenditures of the Government have been reduced from year to year by the help of a republican Congress under and during the entire administration of President Grant. The expenditures of the last eight years were, for—

1869.....	\$322,865,278	1873.....	\$290,345,245
1870.....	309,653,561	1874.....	297,133,873
1871.....	282,177,128	1875.....	274,623,393
1872.....	277,517,963	1876.....	258,459,797

The figures show a net saving in the reduction of annual expenditures during President Grant's administration of \$33,405,481, an average annual reduction in the net ordinary expenditures of the Government of over \$9,000,000, and during all of which time under General Grant there has been a regular annual reduction in the public debt.

On March 1, 1869, the principal of the public debt was \$2,525,463,260, and on August 1, 1876, it was \$2,095,301,311, showing a reduction of \$427,161,949. The average annual reduction in the principal of the public debt during President Grant's seven years in office has been over \$60,000,000, and the decrease in the annual interest charge during the same period is \$31,285,281.

With the exhibit made by the foregoing official figures, the people cannot be deceived by the transparent pretensions of reform in expenditures set up by the democratic party.

Mr. Speaker, political pharisees call on all men to behold how holy they are, and point to others and exclaim how corrupt, how dishonest, and how extravagant are these breakers of the law. Sir, it is indeed suggestive to observe how unfortunate these self-styled virtuous individuals are. They so often get into trouble. They are so often detected, and have the cloak of hypocrisy stripped off of them and are subjected to shame. No matter in what party you find them it is always safe to watch them. Honesty, economy, and reform was the constant song of Tweed.

Mr. Speaker, we have had some dishonesty and some extravagance in the republican party. Too much, because any is too much. Bad men creep into its organization and sometimes attain official place, all of which is to be regretted but cannot be avoided. So it is with every organization of men. So it happens with churches, but because of it we do not condemn the whole church.

No government has ever been entirely free from bad men; and no Administration of our own Government has entirely escaped them, from and including Washington down to this day. We should hide no sin, we should let no crime go unpunished. "Let no guilty man escape" is the penal law of the republican party. Let the record of that party be read and judged in this regard by a candid world. Its financial transactions have been enormous. Its responsibilities have been tremendous. Its achievements have been costly, but they are priceless. Its triumphs were difficult yet were glorious. And let every unprejudiced man answer who or what party could have done better or as well. Sir, the charge of dishonesty and corruption against the republican party is untrue and entirely unfounded. This Administration may be contrasted with that of any that has preceded, and it will appear well.

Sir, I have no word of complaint or of disparagement to utter against any of the early Presidents or their administrations. I believe they were honest and as economical as they could make them; yet they had much bad luck and greater loss in the collection and disbursements of their revenues by corrupt and extravagant men than we have to-day. And if history is true, Washington, Jefferson, and the other early Presidents were abused and defamed as much as is that great soldier and statesman who is President now.

I have here, sir, the financial record of all the Administrations, beginning with Washington, showing amounts collected and disbursed, with the amount lost under each Administration by way of defalcation and dishonesty and the percentage lost on each thousand dollars; and it is with extreme caution I give the figures, which can be verified by the old records themselves, to be found at the Treasury Department, all of which are official, and by which it appears that the democratic party have been extremely *unfortunate* in handling the public money, and by which it will on the other hand appear that the republican party have been indeed extremely fortunate in the same business, and by which it appears that General Grant has been as successful in keeping thieves out of the Treasury as he was in keeping armed traitors out of this capital.

Not long since my colleague, distinguished for service in the field and on this floor, [Mr. HURLBUT,] in an able speech used tabulated matter which strikingly exhibited in favorable light the republican Administrations. I desire, however, Mr. Speaker, to go back to the beginning of the Government, and will necessarily have to pass over the ground previously occupied by my esteemed colleague, and will show the same result he did in a different form, proving the correctness of his figures and of mine; and I respectfully challenge the other side of the House to point out wherein they are wrong.

I give you the statement showing the receipts and disbursements of the Government from its organization to June 30, 1875; exhibiting the ratio of losses per \$1,000 to the aggregate received and disbursed and amount involved, arranged as nearly as practicable in periods of Administrations, and also in the periods prior and subsequent to June 30, 1861, prepared under the direction of the Secretary of the Treasury:

JANUARY 1, 1790 TO DECEMBER 31, 1797.—GEORGE WASHINGTON, PRESIDENT.

	Amount.	Loss on \$1,000.
Gross receipts.....	\$56,448,321 33	\$3 72
Gross disbursements, exclusive of Post-Office.....	55,426,822 22	69
Post-Office disbursements.....	664,960 00	2 80
Total amount involved.....	112,560,503 60	2 22

JANUARY 1, 1798, TO DECEMBER 31, 1801.—JOHN ADAMS, PRESIDENT.

Gross receipts.....	\$46,085,418 40	\$0 01
Gross disbursements, exclusive of Post-Office.....	43,811,926 44	4 35
Post-Office disbursements.....	826,267 00	2 64
Total amount involved.....	90,733,611 84	2 59



## JANUARY 1, 1802, TO DECEMBER 31, 1809.—THOMAS JEFFERSON, PRESIDENT.

	Amount.	Loss on \$1,000.
Gross receipts.....	\$108,238,977 54	\$2 65
Gross disbursements, exclusive of Post-Office.....	107,686,311 78	2 82
Post-Office disbursements.....	3,147,447 00	3 93
Total amount involved.....	219,072,736 30	2 75

## JANUARY 1, 1810, TO DECEMBER 31, 1817.—JAMES MADISON, PRESIDENT.

Gross receipts.....	\$266,246,514 74	\$1 10
Gross disbursements, exclusive of Post-Office.....	255,105,106 08	7 27
Post-Office disbursements.....	5,412,429 00	7 61
Total amount involved.....	526,764,049 86	4 16

## JANUARY 1, 1818, TO DECEMBER 31, 1825.—JAMES MONROE, PRESIDENT.

Gross receipts.....	\$178,649,964 44	\$3 52
Gross disbursements, exclusive of Post-Office.....	189,437,770 49	13 22
Post-Office disbursements.....	9,240,541 00	11 61
Total amount involved.....	376,328,274 93	8 58

## JANUARY 1, 1826, TO DECEMBER 31, 1829.—JOHN Q. ADAMS, PRESIDENT.

Gross receipts.....	\$87,818,054 78	\$3 40
Gross disbursements, exclusive of Post-Office.....	97,254,000 42	5 28
Post-Office disbursements.....	6,406,022 00	6 02
Total amount involved.....	201,488,077 20	4 39

## JANUARY 1, 1830, TO DECEMBER 31, 1837.—ANDREW JACKSON, (DEMOCRAT,) PRESIDENT.

Gross receipts.....	\$255,182,775 16	\$5 53
Gross disbursements, exclusive of Post-Office.....	223,546,049 41	10 31
Post-Office disbursements.....	21,352,923 18	1 98
Total amount involved.....	500,081,747 75	7 52

## JANUARY 1, 1838, TO DECEMBER 31, 1841.—MARTIN VAN BUREN, (DEMOCRAT,) PRESIDENT.

Gross receipts.....	\$129,948,548 91	\$3 01
Gross disbursements, exclusive of Post-Office.....	137,094,438 34	21 15
Post-Office disbursements.....	12,281,861 77	2 83
Total amount involved.....	285,327,949 02	11 71

## JANUARY 1, 1842, TO JUNE 30, 1845.—JOHN TYLER, (WHIG,) PRESIDENT.

Gross receipts.....	\$116,736,004 87	\$3 68
Gross disbursements, exclusive of Post-Office.....	109,167,401 84	10 37
Post-Office disbursements.....	18,666,750 20	14
Total amount involved.....	244,500,156 31	6 40

## JULY 1, 1845, TO JUNE 30, 1849.—JAMES K. POLK, (DEMOCRAT,) PRESIDENT.

Gross receipts.....	\$201,857,508 45	\$0 08
Gross disbursements, exclusive of Post-Office.....	205,194,700 57	8 34
Post-Office disbursements.....	16,861,478 41	15
Total amount involved.....	423,913,687 43	4 08

## JULY 1, 1849, TO JUNE 30, 1853.—TAYLOR AND FILLMORE, (WHIGS,) PRESIDENTS.

Gross receipts.....	\$211,908,612 91	\$1 30
Gross disbursements, exclusive of Post-Office.....	194,370,493 14	7 64
Post-Office disbursements.....	26,582,570 74	1 99
Total amount involved.....	432,861,676 79	4 19

## JULY 1, 1854, TO JUNE 30, 1857.—FRANKLIN PIERCE, (DEMOCRAT,) PRESIDENT.

Gross receipts.....	\$292,179,829 56	\$0 75
Gross disbursements, exclusive of Post-Office.....	285,638,875 65	5 86
Post-Office disbursements.....	40,439,110 70	6 92
Total amount involved.....	608,257,815 91	3 56

## JULY 1, 1857, TO JUNE 30, 1861.—JAMES BUCHANAN, (DEMOCRAT,) PRESIDENT.

Gross receipts.....	\$312,359,679 56	\$0 09
Gross disbursements, exclusive of Post-Office.....	328,183,968 39	6 08
Post-Office disbursements.....	36,957,992 74	3 02
Total amount involved.....	697,500,670 69	3 81

## JULY 1, 1861, TO JUNE 30, 1865.—ABRAHAM LINCOLN, (REPUBLICAN,) PRESIDENT.

	Amount.	Loss on \$1,000.
Gross receipts.....	\$4,670,460,137 61	\$0 10
Gross disbursements, exclusive of Post-Office.....	4,667,457,921 22	1 41
Post-Office disbursements.....	48,779,685 45	1 91
Total amount involved.....	9,386,697,144 28	0 76

## JULY 1, 1865, TO JUNE 30, 1869.—ANDREW JOHNSON, (WAR DEMOCRAT,) PRESIDENT.

Gross receipts.....	\$4,042,316,438 46	\$0 63
Gross disbursements, exclusive of Post-Office.....	3,891,576,259 10	44
Post-Office disbursements.....	81,016,286 91	2 96
Total amount involved.....	8,014,902,024 47	0 57

## JULY 1, 1869, TO JUNE 30, 1875.—ULYSSES S. GRANT, (REPUBLICAN,) PRESIDENT.

Gross receipts.....	\$3,996,868,423 84	\$0 31
Gross disbursements, exclusive of Post-Office.....	4,007,858,389 21	35
Post-Office disbursements.....	169,869,803 72	89
Total amount involved.....	8,174,596,676 77	34

## GROSS TOTAL RECEIPTS.

Period.	Receipts.	Losses.	Loss on \$1,000.
Prior to June 30, 1861.....	\$2,263,660,610 68	\$4,734,020 21	\$2 09
From July 1, 1861, to June 30, 1875.....	12,709,643,050 91	4,346,028 10	34

## GROSS TOTAL DISBURSEMENTS.

Period.	Disbursements.	Losses.	Loss on \$1,000.
On all accounts except Post-Office:			
January 1, 1790, to June 30, 1861.....	\$2,230,947,173 21	\$18,899,268 75	\$3 47
July 1, 1861, to June 30, 1875.....	12,566,892,569 59	9,905,305 37	78
Post-Office disbursements:			
January 1, 1790, to June 30, 1861.....	224,873,373 74	808,540 33	3 59
July 1, 1861, to June 30, 1875.....	299,665,176 08	413,472 60	1 37

Gross total receipts and disbursements, including Post-Office and all other amounts collected or disbursed, and the losses thereon.

Administration.	Period of service.	Amount involved.	Total losses.	Loss on \$1,000.
Washington, George.....	Years.....			
Adams, John.....	4	\$112,560,563 60	\$250,970 31	\$2 22
Jefferson, Thomas.....	4	30,733,611 84	235,411 87	2 59
Madison, James.....	8	219,072,736 30	603,467 79	2 75
Monroe, James.....	8	526,764,049 86	2,191,660 16	4 16
Adams, J. Q.....	4	376,328,274 93	3,229,787 90	8 58
Van Buren, Martin.....	4	201,488,077 20	885,374 05	4 39
Jackson, Andrew.....	8	500,081,747 75	3,761,111 87	7 52
Harrison, William Henry.....	4	285,327,949 02	3,343,792 04	11 71
Tyler, John.....	4	244,500,156 31	1,565,903 25	6 40
Polk, James K.....	4	423,913,687 43	1,732,851 04	4 08
Taylor, Zachary.....	4	432,861,676 79	1,814,409 46	4 19
Fillmore, Millard.....	4	608,257,815 91	2,167,962 47	3 56
Pierce, Franklin.....	4	697,500,670 69	2,659,107 81	3 81
Buchanan, James.....	4	9,386,697,144 28	7,900,984 14	76
Lincoln, Abraham.....	4	8,014,908,984 47	4,619,599 81	57
Johnson, Andrew.....	4	8,174,596,676 77	2,846,192 12	34
Grant, U. S.....	6	30,295,623,963 15	39,108,605 30	1 29
Prior to June 30, 1861.....		4,719,481,157 63	24,441,229 32	5 17
From July 1, 1861, to June 30, 1875.....		25,576,202,805 59	14,666,776 07	57

Let us look into these tables and see whether the good old democratic days were purer than these days.

In Martin Van Buren's time corruption seems to have reached its height. The losses during his administration of four years were \$3,343,792.04, or a loss of \$11.71 on each \$1,000. The preceding administration (Jackson's) in eight years had lost \$3,761,111.87, or over \$400,000 more; but as the amount of receipts and disbursements were larger the ratio of loss on each \$1,000 was somewhat smaller, being \$7.52 on each \$1,000.

John Tyler succeeded Van Buren, and the losses during his administration were \$1,565,903.25, or less than half of the amount lost by

his predecessor; the ratio of loss being \$6.40 on \$1,000. Polk followed, with a loss of \$4.08 on each \$1,000. Pierce lost over \$2,000,000, or \$3.56 on each \$1,000. And the last democratic administration (Buchanan) lost \$500,000 more than Pierce, and raised the ratio of loss on the \$1,000 to \$3.81.

March 4, 1861, the democrats were succeeded by a republican, the immortal Lincoln; and though he had to carry on a gigantic war and trust money in the hands of many thousand men to disburse, whose character he had no time to learn before appointment; though large sums were lost in battle or sunk in the sea, the loss during his four years was seventy-six cents on each \$1,000, or less than one-fifth of Buchanan's loss; less than one-fifteenth of Van Buren's loss; less than one-tenth of Jackson's loss, and one-eleventh of Monroe's loss. The ratio of loss in Washington's administration was three times greater than Lincoln's.

We may now come down to the present Administration—an administration denounced by the democrats from one end of the country to the other as corrupt. It appears that the ratio of loss on each thousand dollars during Grant's six years is only thirty-four cents. Let us compare this loss with preceding administrations, and we see that there has been less corruption during the past six years than at any time since the formation of the Government.

Grant's ratio of loss in comparison with Johnson's is three-fifths; with Lincoln, one-half; with Washington, one-seventh; with John Adams, one-eighth; with Jefferson, one-eighth; with Pierce, one-tenth; with Buchanan, one-eleventh; with Madison, Polk, Taylor, and J. Q. Adams, one-twelfth; with Tyler, one-nineteenth; with Jackson, one-twenty-second; with Monroe, one twenty-fifth; and with Martin Van Buren, only about one thirty-fifth.

So we see, Mr. Speaker, that the present Administration, instead of being the most corrupt, stands highest, judging by official reports, and they are the tests by which we and the country must judge. Sir, these figures are not partisan friends and witnesses. They tell the truth to and for all parties. President Grant's administration is higher in the standard of honor, honesty, and fidelity to the country than any preceding administration. The loss in the last democratic administration was \$2,659,107.81; and let me call the attention of this House and the country to the fact that this does not include the money stolen by southern democrats when they left the Union in 1861. Every postmaster in the South stole all the Government money in his possession, as well as postage-stamps, which is estimated at \$1,000,000! All the moneys in the mints and custom-houses in the South were stolen, amounting to several millions more.

Mr. Speaker, the verdict upon the testimony must be in favor of the republican party for economy and reform.

#### The Use and Abuse of Silver as Money.

### SPEECH OF HON. ABRAM S. HEWITT, OF NEW YORK,

#### IN THE HOUSE OF REPRESENTATIVES,

August 5, 1876.

The House having under consideration the concurrent resolution reported by the Committee on Banking and Currency to create a commission to consider and report upon the question of the remonetization of silver—

Mr. HEWITT, of New York, said:

Mr. SPEAKER: The discussion has taken a wider range than the provisions of the concurrent resolution reported by the Committee on Banking and Currency would seem to warrant, and has in fact extended to the merits of the bill reported some days since by the Committee on Mines and Mining, entitled "A bill to utilize the product of gold and silver mines, and for other purposes." This extraordinary bill, extraordinary in the nature of its provisions as well as the source from which it comes before the House, contemplates the following ends:

1. That the United States shall purchase all the gold and silver bullion which may be brought to its mints and assay offices and pay for the same in the coin-notes of the United States for gold at the rate of \$1 for 25.8 grains, and for silver at the rate of \$1 for 412.8 grains.

2. It directs the coinage of silver dollars, not now known to the law, weighing 412.8 grains each of standard silver.

3. It provides that the coin-notes so issued shall be receivable without limit for all dues to the United States, and that the silver dollars so coined shall be a legal tender for all debts, public and private, not specified to be paid in gold coin.

4. For the redemption of these coin-notes a fund equal to 75 per cent. of the amount outstanding shall always be kept on hand in the public depositories of the United States.

The arguments which have been presented in favor of this measure appear to be as follows:

1. That the act of February 10, 1873, by which the silver dollar was demonetized was passed surreptitiously, and that Congress was purposely kept in the dark as to its real nature and the effect of its provisions. In other words, that Congress did not intend to demonetize

the silver dollar and that the bill could not have been passed if it had been understood that no more silver dollars could be coined after its passage.

2. That Congress has the right to restore the coin of the same weight and fineness as it contained prior to 1873, and to use it as a legal tender for the payment of all debts contracted prior to that date not specifically payable in gold coin.

3. That the debtor class in this country, now suffering from the oppression of the creditor class, will thereby be greatly relieved, because debts can be discharged in a less costly medium than that now required by law, to wit, legal-tender notes or gold coin.

4. That the burden of the public debt of the United States and of the several States and municipalities, now too heavy to be borne, will be greatly lessened, and industry, being thus relieved from taxation, will again become active and labor will be fully employed and better paid.

5. That the price of silver will be raised in consequence of the enlarged field for its use and a better market secured for one of the leading products of the American soil.

#### REMONSTRANCE OF THE CHAMBER OF COMMERCE.]

Against this bill I am charged by the Chamber of Commerce of the City of New York "to remonstrate in its behalf as unjustly and needlessly permitting the payment at par of more than \$11,000,000,000 of public and private debts by silver coin now depreciated in market at least 18 per cent. and liable to still further fluctuation and depression. Of this debt more than two thousand millions exist in the accumulated savings of many years invested in policies on lives, the holders of which will be despoiled of the 18 per cent. being three hundred and sixty millions. The holders of mortgages on property in all parts of the United States for at least \$5,000,000,000, and many of them illable to bear the loss, will lose their 18 per cent., being at least nine hundred millions. All these immense sums extracted from suffering individuals are bestowed by the bill on the debtors, without any equivalent justification or any public gain whatever."

In submitting this remonstrance, let me say that in my judgment it does not overstate the injury which will be inflicted upon the creditor class of the country, who are never supposed to be its enemies until after they have parted with their money, and for whose advent our fellow-citizens in the South and West are anxiously waiting, when they tell us that more capital is needed for the development of their great natural resources. But if there were any doubt upon the subject, the source from which the remonstrance emanates should lay the doubt at rest. For more than a century the Chamber of Commerce has been a recognized authority upon all questions pertaining to exchanges and finance.

It is composed now, as it always has been, of the leading merchants, bankers, and manufacturers of the city of New York. It numbers over seven hundred members, whose occupation, training, and interests have necessarily made them familiar with the laws of trade and the delicate elements which affect credit, public and private. They become thus not merely experts, so to speak, in all matters of finance, but they are to a large extent the jealous guardians of commercial honor, which lies at the foundation of the national prosperity. Their voice is entitled, therefore, to great weight, greater possibly than the report even of a committee of this House, whose duty under the rules is not to consider questions of finance at all, but is strictly limited "to consider all subjects relating to mines and mining that may be referred to them, and to report their opinion thereon, together with such propositions relative thereto as may seem to them expedient." (Rule 153.)

Let me say right here, as the chairman of the committee has complained that the bill has been resisted by tactics commonly known as filibustering, he has no just ground of complaint when he reflects that when the Committee on Mines and Mining undertakes to deal with the question of what shall be the legal tender for the payment of debts, a subject entirely foreign under the rules to its domain, as foreign as the tariff question, it sets an example of improper use of its opportunities which can fairly and indeed only be met by such opposition as is secured under the rules of the House, adopted to meet just such violations of propriety.

But to return to the remonstrance, to the serious allegations of which I invite the attention of the House. Summed up in one word, it charges that the bill under consideration means spoliation under the guise of law, against which the highest financial and commercial authority on the American continent enters its solemn protest; spoliation, I venture to say, upon a scale so vast as to dwarf the plunder of India under Warren Hastings, and which renders ridiculous the sum-total of the extravagant expenditures of the last eight years, upon the investigation of which this House and its committees have expended their energies during the present session of Congress.

#### OPERATION OF THE BLAND BILL.

Let me explain, although it ought to be clear without even a word of explanation, the process by which this spoliation will be accomplished. As the law now stands, all existing contracts for the payment of money must be discharged either in gold coin or in legal-tender notes. Now this bill proposes to make silver a legal tender for the payment of debts in all cases where the word coin or dollars is used, in all public and private contracts at the rate of 412.8 grains



standard silver to the dollar, the value of which at fifty pence per ounce, the quotation of to-day, is 84.8 cents. Under the pledge of the act of 1869 the legal-tender notes of the United States are redeemable in coin, which all the world has heretofore taken to mean gold coin, and their market value has been and is to-day fixed with reference to redemption in gold coin. With gold at a premium of 11½, these notes are worth 89.8 cents to the dollar; but if they are to be redeemed in silver coin, worth only 84.8 cents to the dollar, they will necessarily fall to the same discount with reference to the value of silver as they now occupy with reference to gold; in other words, they will be worth 73.1 instead of 84.8 cents in gold. The result is, therefore, that on all money contracts, whether payable in coin or in paper, there would be an immediate confiscation of the property of the creditor by act of Congress of 15 per cent. of his just claim. In the aggregate this would amount to a transfer, so far as the act of Congress could have any effect, from the creditor to the debtor class of a sum greater than the entire debt of the United States.

The advocates of the bill admit that this is one of the objects which they have in view. They call it "relief to the debtor class." They forget, however, that the laws of nature cannot be reversed by acts of Congress. It is true that the bill will authorize the debtor to discharge his debt with a less valuable commodity than was intended for its discharge at the time the contract was made, but no act of Congress short of a general division of property or an utter cancellation of indebtedness can endow the debtor with the means of payment. He may indeed have a property which, in the present condition of things, would sell for enough to discharge his debt and leave him a surplus. But if this bill be passed, this margin and surplus would disappear with the same rapidity as the golden hues of the clouds after the sun passes below the horizon. In the face of the proposition to confiscate 15 per cent. of all the indebtedness of the country, every dollar of foreign capital would be withdrawn from the country as rapidly as it could be collected, and the steamships could remove it in some form of material value. Every dollar of American capital that could be controlled would in like manner be remitted to foreign countries for safe-keeping or would be hoarded in the secret recesses to which confidence betakes itself in time of spoliation. There would be a universal collection of debts and a universal fall in values, resulting in a general transfer of the properties of the debtors to the creditors in final liquidation of the debt. The country would be one scene of indiscriminate ruin and desolation; the condition of the people would be intolerable, and their just indignation would be visited upon every man and upon any political party who had any part or lot in bringing upon the heads of the people such an irreparable and overwhelming disaster.

Now, let me call the attention of this House to the classes in the community upon whom first would fall the weight of this monstrous iniquity. Of the debt that would be confiscated, more than two thousand millions are in the form of accumulations to meet policies of life insurance. Need I ask this House whether it is the rich or the poor to whom these policies have been issued? We all know that it is the professional man, the clerk, the tradesman, who, earning their living from day to day, endeavor thus to provide for their families when the sustaining and the laboring hand is at length laid low in the grave. Thus, then, it is that the bill proposes to despoil the desolate widows and the helpless orphans of \$360,000,000 of that fund, vast in the aggregate, but limited in each individual case, which society has slowly and patiently accumulated as the barrier against suffering and want for the widows and orphans of the nation.

Again, it is estimated that there were \$5,000,000,000 invested in bond and mortgage, of which this bill will confiscate \$900,000,000. Now, who are the large holders of these mortgages? Not the rich mainly, but the savings-banks, who hold in trust the scanty earnings of the poor. Upon the day-laborer, upon the industrious servant girl, upon the frugal mechanic, therefore, will fall this unparalleled and incredible loss of the means accumulated against a rainy day.

This expected but fallacious "relief to the debtor" therefore would be at the expense of those who, too poor to get in debt, have with the patient industry which characterizes honest labor and humble station, accumulated a provision against the ills of life, the decay of old age, and the dreaded refuge of the poor-house. It is the old story of the poor sacrificed to the demands of the needy speculator and the grasping adventurer. The only protection against such robbery and such disaster lies in the good sense and solid integrity of the American people, who have only to be made acquainted with the effects of this legislation to set upon it the seal of their just condemnation.

Now let us examine the grounds upon which this monstrous proposition is sought to be justified.

We are told that prior to 1873 it was the right of the Government and of private individuals to discharge their debts either in gold or silver at the option of the debtor, and that this right was taken away without their knowledge and consent, in fact by covert legislation, the effect of which was not intended or appreciated by the Congress which enacted it.

The gentleman from Missouri [Mr. BLAND] on the 3d instant stated that the coinage act of 1873 "was passed surreptitiously and without discussion, and was one of the grossest measures of injustice ever inflicted upon any people." The honorable Senator from Nevada [Mr. JONES] and the honorable gentleman from Indiana [Mr. HOLMAN] have made similar statements, and these statements have been re-

iterated by the press of the country and repeated again to-day by the gentleman from Missouri [Mr. BLAND] and the gentleman from Illinois, [Mr. FORT.] In answer to these charges I propose, at the risk of being tedious, but in order to refute them once for all, to give, in a note at the end of my remarks, the history of the coinage act of 1873, as shown by the records of the Treasury Department and of Congress.

I have felt it necessary to make this weary statement in order to prove that the legislation of 1873 was not surreptitiously enacted, traveling over ground that has been occupied in part by other members who have addressed the House, and in part by the daily press, because there is nothing so unpalatable to the American people as "tricks" in legislation, of which the Committee on Mines and Mining will be fully conscious when it comes to be generally understood how far they have exceeded the legitimate line of their duty in bringing forward this bill, which could never have been reported from the Committee on Banking and Currency, to which it properly belonged.

#### POWER OF CONGRESS TO REMONETIZE SILVER.

But admitting that there was nothing underhand in the legislation of 1873, it will be asked whether it is not true that prior to that date debts might have been discharged in silver dollars weighing 412.5 grains; and, if so, have we not a legal and moral right to restore the dollar to circulation in order that debts contracted prior to that date may be paid in such dollars? To this question I reply that certainly prior to the passage of the law of 1873 debts might have been paid in such silver dollars, but now we have neither the legal nor the moral right to pay debts in silver dollars worth less than the value of the standard gold dollar, which is now the sole unit of value. We have an undoubted right to remonetize the silver dollar, and it may be wise to do so, but if we do it we are legally and morally bound to put in it enough silver to make it equal in value to the gold dollar. Not to do this is to violate equally the plain provisions of the Constitution and of the moral law.

What are the provisions of the Constitution in regard to money? No power is anywhere granted to Congress to make gold and silver, or indeed anything whatever, a legal tender. The language of the Constitution, article 1, section 8, is:

That Congress shall have power to coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures.

There is no other grant of power in regard to money whatever; and if under this provision Congress has the power to deal with the question of legal tender at all, there is no limitation whatever upon that power, and it has the right to select any material besides gold and silver as a legal tender for the payment of debts; but there is a restriction upon the States, article 1, section 10:

No State shall make anything but gold and silver coin a tender in payment of debts, and no State shall pass a law impairing the obligation of contracts.

Taking these two provisions of the Constitution together, their intention would clearly seem to be as follows: Individuals may make contracts payable in dollars. Such contracts cannot be impaired by any action of any State government, and the dollars represented in the contract must be either gold or silver dollars. These dollars must be provided by Congress and the value thereof must be regulated by Federal law. Now what is meant by the word "value"? Is it the true or false value? Could it have been intended by the framers of the Constitution that Congress should have power to give to either gold or silver a fictitious and unreal value? If so, what is meant by the word "regulate"? This word is derived from the Latin "regula," a rule of length. Worcester defines the word:

To adjust by rule or by method; to put or to keep in order.

Webster defines the word:

To put in good order; as, to regulate the disordered state of a nation or its finances.

Congress is therefore to measure the value of the money it coins not once for all, but is to regulate it and adjust its relative value from time to time as with a rule, according as necessity or occasion may require. That this is the intention of this provision is evident from its collocation with the words "and fix the standard of weights and measures." Money was to be "regulated;" that is, measured and adjusted; but the standard of weights and measures was to be fixed; that is, not changed and altered from time to time. The reason is obvious; the standards of weights and measures may be fixed by the eternal standards of nature, such as an arc of the meridian; but gold and silver, depending for their value upon supply and demand, must fluctuate in relative value, and must, therefore, be regulated as to each other in order that no injustice may be done in the current transactions of commerce. This view, which is too plain to admit of doubt, is confirmed by the insertion of the words "and of foreign coin," which, being dependent for standard and weight upon the action of foreign powers, must necessarily be regulated from time to time with reference to their intrinsic value, and not fixed as is the case of the standard of weights and measures.

It is plain, therefore, that the power of Congress under the Constitution is limited to the coining of money, and that it is the duty of Congress to regulate the value of the money which it may coin, according to its intrinsic worth as determined by its value as bullion in the markets of the world, and that if this value changes enough to produce disturbances in business, to inquire into and regulate the value of "money" according to the state of facts as developed by the inquiry.

That this is the true view of the constitutional power and duty of Congress is made apparent by one other consideration not often perceived. The amount of "money" in actual use and being is always small compared with the volume of business. It is the measure of value, however, for all transactions. If the measure be false, there will be injustice done in each transaction. The loss resulting from the re-adjustment of value in the measure will be trifling, therefore, compared with the whole volume of transactions. The settlements of a single day at the New York clearing-house amount to nearly \$50,000,000, which are effected by the actual transfer of less than \$2,500,000. Now, if the measure be wrong to the extent of 5 per cent., the daily loss to some one will be greater than the whole amount required to effect the daily payment of balances. It was the perception of this truth which led the government of William III to recall the clipped and worn silver coinage in 1695 and replace it with full coin of standard weight, and to charge the cost thereof up to the nation and not leave it upon the innocent holders of the depreciated coin. The total cost of this operation was £2,415,140, a sum less than the losses caused by the depreciated coin in business operations of every year, possibly of every month. The force of this rule increases directly with the volume of business, so that in modern times, when it becomes necessary to re-adjust the values of outstanding coin, it is accepted that the nation, and not the individual holders, must bear the loss. This rule is now being applied to the replacement of the German coinage.

Fortunately we have now no such loss to meet; but the statement of the principle serves to indicate what must have been the solution of the difficulty if we had found ourselves compelled to deal with a large stock of silver dollars in the presence of the recent depreciation of silver. We could only have called them in and replaced them with new dollars containing the necessary additional silver to have restored them to their equivalency with the gold dollar. The loss of this operation would have been insignificant compared with the stupendous losses which would otherwise have occurred in the settlement of existing indebtedness.

This doctrine of *equivalency* must prevail in all countries maintaining the double standard, which cannot exist without it, and in practice does not long exist anywhere, because it involves too frequent changes in the weight of coins. The cessation of the coinage of silver by Switzerland and its limitation by the Latin Union is a practical abandonment of the double standard for the time being, and its restoration cannot be safely attempted until the relation between the value of gold and silver shall have once more become stable.

#### HISTORY OF AMERICAN COINAGE.

The money history of the United States has been in strict accordance with this doctrine. At the foundation of the Government the dollar in use was the standard Spanish milled dollar. All contracts for hard money were payable in these dollars. In order that no injustice might be done to debtors or creditors it was necessary to determine the quantity of silver contained in these dollars. Hamilton undertook the task, and after an elaborate investigation, including careful assays of average specimens, fixed upon 371½ grains of pure silver as the standard value. This formed the basis of our system of coinage. He next determined the equivalent in gold at its then market value of 371½ grains of silver, and fixed it at 27 grains. Owing to an error in the calculation the gold was slightly undervalued, and never, therefore, came into use, but the cheaper medium, the silver dollar, was the actual standard of value. This was the era of the silver dollar, and it continued to be the sole medium of legal tender in use until 1834. At that time the best financial minds of the country, such as Gallatin, Ingham, and others, came to the conclusion that the interests of the nation required that gold should be brought into circulation. It was a legal tender but it did not circulate, because it was undervalued. For that reason the owner of gold bullion did not bring it to the Mint to be coined.

And just here it will be well, Mr. Speaker, to call the attention of the House to the true functions of the Mint as at that time prescribed by law. These functions have been largely overlooked, forgotten, and misunderstood in the confusion which has grown out of the substitution of legal-tender paper money for gold and silver coin.

The Mint of the United States was never an institution in which the Government manufactured money on its own account and supplied it to the public at a profit. It was merely a factory, to which citizens brought their bullion and plate and had it converted into coin or money at a fixed charge, which sufficed merely to cover the cost of the operation. The stamp of the Government was merely a certificate of value, and no more, impressed by the Government upon the property of the citizen. The Government did not buy the bullion and sell the coin, it merely received the bullion, stamped it, and returned it to its lawful owner. Hence new light is thrown upon that provision of the Constitution which requires Congress "to coin money and regulate the value thereof," for it was the property of individuals which was to be coined and the value of which was to be regulated by the Government, which had no other interest or duty but to impress upon it the true and not a fictitious value.

Now, as the value which the law required the Mint to stamp upon gold was less than its commercial value, no gold was brought to the Mint to be stamped. The commerce of the world, and especially of

the most progressive nations, such as England and Holland, was mainly carried on in gold. All bills of exchange settled in London and Amsterdam, the principal financial marts of the world, were payable in gold. Our own commerce was then in a rapid state of development, and our statesmen perceived that we needed a gold unit of value for its lubrication and growth. What did they do? They let silver alone, because it was the *existing* unit of value in all contracts. To change it would work injustice to debtors and creditors alike. They therefore brought the weight of the gold dollar down to the value of the silver dollar, and, in order to make it circulate, a bare trifle below it. Thus they did exact justice to debtors and creditors, or rather so little injustice that its effect was imperceptible and of no consequence compared with the advantages of securing the circulation and establishment of a gold unit of value in harmony with the currency of the nations with whom we had large commercial relations.

Thus and then ceased the first or silver era and began the second or golden era of the American coinage. Silver dollars slowly but surely disappeared from circulation, because they were slightly undervalued as coin, and it paid to export them or melt them up. The gold dollar weighing 25.8 grains took the place of the silver dollar, and from 1837 until the passage of the paper legal-tender act in 1862 gold dollars were the sole unit of value in the United States. Although gold and silver dollars were equally a legal tender for the payment of debts, in fact for more than a generation, nearly forty years, gold only was the metal in use for payments exceeding \$1; and when the legal-tender act was passed the value of the notes issued under it was referred to the standard of gold, and gold only. This was still the case in 1873, when the silver dollar was demonetized. No one referred to silver as the standard of value, because the silver dollar was then more valuable than the gold dollar, being worth \$1.03, and had not been in use for forty years. Hence in the revision of the coinage laws it was treated, and properly so, as an obsolete coin, which had not been in use for a generation, and which in the ordinary course of things would never come into use again. No one desired it for the payment of debts, for all debts had in effect been contracted on the basis of the gold dollar, and no one expected either to receive or give anything else in payment where coin was to be paid. The abolition therefore of the silver dollar in 1873 did no injustice to any human being; and even if the allegation were true, as I have shown it not to be, that it was done in the dark, it was a deed by which no one was injured and no existing right impaired.

#### EQUIVALENCY OF VALUE.

It is now demanded that the silver dollar be restored; and let it be conceded for the sake of argument, as may possibly be found to be the fact, that it is expedient to yield to this demand. Upon what basis of value shall it be restored? How many grains of silver shall it contain? The Committee on Mines and Mining says 412.8 grains, worth with silver at fifty and three-fourths per ounce about eighty-four cents in gold. Let it be noted that the old silver dollar only contained 412.5 grains, so that the committee do not adhere to it. Why do they make any change if they plant themselves on the old silver dollar? The Constitution says that Congress shall "coin money and regulate the value thereof." They propose to make a new coin, a dollar which does not now exist and as reported by them never known to the law. They must regulate its value. They cannot shut their eyes to this duty. They cannot shirk it. They must *regulate* its value. By what standard? There is but one standard of value in existence, which is the gold dollar or unit of value. The new coin or silver dollar must therefore be regulated by the gold dollar now in use, and with reference to it alone, for there is no other standard or unit of value known to the law. No act of Congress can make 412.8 grains of silver worth a dollar in gold when a dollar in gold will purchase, as it can to-day, 480 grains of silver in the open market. If Congress should attempt to do this in the face of large purchases daily made by the Director of the Mint at the rate of 480 grains to the dollar, the Supreme Court of the United States would be bound to hold that Congress had not *regulated* the value of the new coin, but had given it a false value, and violated the express provisions of the Constitution. This much is clear; but whether the Supreme Court might not go further and decide that in making this silver dollar a legal tender for the payment of debts, except to and from the Government, Congress had exceeded its authority, I am not the person to venture an opinion; but I can find no authority in the Constitution for such legislation.

Having thus, as I believe, clearly demonstrated that Congress has no legal right to make a creditor receive 412.8 grains of silver in lieu of a gold dollar which will purchase 480 grains, it seems to me quite superfluous to attempt to show that it has no moral right to do so. A man may voluntarily take less than he is entitled to, but to force him to receive less than his money would purchase in open market is a manifest wrong which requires no elucidation. No wrong was done to the debtor in 1873 by the abolition of the silver dollar then worth more than the gold dollar, and which had not been in use within the existence of the present generation. All that it did was to take away the unexpected and unseen possibility of paying the creditor in less value than either party expected or in reality contracted to pay.

The operation of a law which would make 412.8 grains of silver a legal dollar cannot be better illustrated than by following through the purchase of silver by the Director of the Mint for the manufact-



ure of subsidiary coin under the recent legislation of Congress. The Government sells one million of 5 per cent. bonds for par in gold. This gold is sold for legal-tender notes at a premium of 12 per cent. and produces \$1,112,000 in greenbacks. These purchase, with silver at fifty and three-quarter pence per ounce, about \$1,200,000 in standard silver. Now, suppose the seller of the silver to have kept his legal-tender notes on deposit until after the passage of the proposed bill; the notes will then be payable in silver instead of gold, but as they are not at present redeemable in anything, they will fall to a discount as compared with silver equal to the present discount as compared with gold; that is, about 12 per cent. The seller of the silver would therefore be able with his greenbacks to purchase only \$1,000,000 of silver to replace the proceeds of the \$1,200,000 which he had sold to the Government shortly before, thus losing two hundred thousand dollars' worth of silver by act of Congress, and without any fault of his own, except the belief, which he has shared with all the world, that the legal-tender notes would be redeemed in gold and not in silver.

#### PERTURBATIONS IN THE VALUE OF SILVER.

If, therefore, we legislate upon this subject at all, we are bound by the express directions of the Constitution, as well as by the dictates of common honesty, to adopt the true and not a false ratio of value between the two metals. But who can tell what is the true ratio? To-day silver is selling at 51d. per ounce, and a week ago it was selling at 46d. per ounce. On the 16th of March last, when I had the honor to address the House upon this subject, the price was 53d. per ounce. In the month of January last it was 56d. per ounce, and the extreme low point which it has reached in 1876 is 18 per cent. below the average value of 1875. These perturbations can only be compared to the variations of the thermometer during the last week. This, then, is a time when no man of wisdom in monetary affairs can determine the true ratio of value between gold and silver, as required by the Constitution. It is therefore a time absolutely unanfit for legislation upon this subject. It is an epoch of perturbation in the price of silver more marked than has ever before occurred in the history of the precious metals. In the long period of time for which we have authentic data, from 1687 to 1872, the variations in the relative value of gold and silver were between 14.74 and 15.83; and during our whole political history of one hundred years the ratio ranged between 15 and 16 until the present year, when the range has been between 16 and 20, involving a fall of 18 per cent. in the value of silver in a single year. Now, where is the man who can tell us whether silver is going up or going down relatively to gold? Who can tell us whether the present ratio is likely to be permanent or whether there is to be a sudden rise in the value of silver or a fall still greater than that which has occurred?

Who can determine the duration of the causes which have produced this fall? First of these comes the yield of the American silver-mines, now estimated at \$40,000,000 yearly, and there is every reason to believe that the product of the American mines will steadily increase. The second cause, the demonetization of silver begun in Germany, will have spent its force when the stock of silver on hand in that country shall have been disposed of. And this is a striking evidence of the sensitiveness of the market for silver, that the attempt to sell so small an amount as \$40,000,000, not more than the product of the American mines for a single year, should cause a fall in the price of silver in London of from five to eight pence per ounce. The third agency producing the fall in the value of silver is the present apparent saturation of India and China with that material; in other words, those countries no longer absorb the surplus silver of the world. Now who can tell how long these causes will continue to operate? Even if Germany should relieve itself of its surplus silver, what policy will the Latin Union adopt in regard to their silver?

#### THE DOUBLE STANDARD.

The whole course of commerce points to the adoption of the single gold standard throughout the civilized world for all purposes except subsidiary coinage. The difficulties in the way of a double standard, always serious, would appear to be insuperable in view of the extraordinary fluctuations in the value of silver, and it would be only possible to preserve the double standard by frequent changes in the value of silver coin, involving through its recoinage such confusion in the current business of society that it would become an intolerable nuisance. Nor would this confusion be abated by the adoption of the silver standard alone. So far as foreign commerce is concerned settlements would have to be made in the gold standard, and the fluctuations of exchange would be aggregated by the daily fluctuations in silver. The views of John Stuart Mill upon this subject are so clearly stated, that I do not see how they can be regarded otherwise than as decisive.\*

\* § 1. Though the qualities necessary to fit any commodity for being used as money are rarely united in any considerable perfection, there are two commodities which possess them in an eminent and nearly an equal degree, the two precious metals, as they are called: gold and silver. Some nations have accordingly attempted to compose their circulating medium of these two metals indiscriminately.

There is an obvious convenience in making use of the more costly metal for larger payments and the cheaper one for smaller; and the only question relates to the mode in which this can best be done. The mode most frequently adopted has been to establish between the two metals a fixed proportion; to decide, for example, that a gold coin called a sovereign should be equivalent to twenty of the silver coins called shillings; both the one and the other being called, in the ordinary

#### WHAT WE ARE ASKED TO DO.

I need not tell the House that the question of the value of silver is a disturbing element at the present time, not only in this country, but throughout Europe; that the fall in value has produced great distress throughout the eastern world, and India is said to be in a state of general bankruptcy in consequence of the inability of debtors to discharge their obligations even though the money in which they were payable has fallen in value, because capital has taken fright and sternly locks itself up until a calm judgment can be formed as to a future market for silver. Fortunately the United States have escaped these great evils. Owing to the suspension of specie payments and the demonetization of silver in 1873 we are not forced to deal with the question of the depreciation of our coinage. We are thus relieved from the difficulties which beset England in its Indian Empire, France and the Latin Union in regard to their double standard, and Germany in its effort to establish a single gold standard. But the proposition of this bill is that, being free from the embarrassment of the question, we shall deliberately load ourselves down with its difficulties, and by making a market for the surplus silver which has produced all these disastrous consequences, transfer to ourselves the burden of the settlement of this difficult problem. And, as I have already shown, we are asked to take all these consequences upon our shoulders without the slightest obligation on our part to do so, and without the possibility of any benefit either to the country or to the producers of silver.

#### HOW IT WOULD AFFECT THE GOVERNMENT.

It is alleged, it is true, that the effect of the passage of this bill will be to raise the price of silver, and that we ought to pass it because silver is a domestic product. This is putting the doctrine of protection to a new use. If silver is to continue to be one of our exports, it can be sold abroad at its current commercial value; but it will not go abroad unless we are prepared to sell it at that price. But it is alleged that this bill will command a use for it at home and gradually raise its price here. If this be true, it would surely make a market for the surplus German silver, and all the silver which is now weighing down the markets of the world would simply be poured in upon our market and be sold to the Government at the rate of 412.8 grains to the dollar, when in fact a dollar should purchase 480 grains. Our gold would be thus driven out of the country and everything of value which could be exchanged for silver would follow the gold, just as happened in Japan under similar conditions, and the Government would become the owner of an enormous stock of silver bullion, upon which in fact it would have to pay the interest and levy it in the form of taxes upon the people and the industries of the country. For the bullion so purchased the coin notes would be issued. These coin notes being receivable for public debts, the Government would have no revenue except in the shape of coin notes, which it could pay out only in the purchase of bullion, because the Constitution confers no authority on the Government to make them legal-tenders from the Government to its creditors, and the bill before us now does not attempt it. How, then, would the Government meet its current expenses? It must either borrow money by the issue of bonds bearing interest or it would have to sell its accumulated silver which it had purchased at the rate of 412.8 grains to the dollar at the best price it could get for it in the markets of the world. To-day it might sell it at the rate of 480 grains to the dollar, which would involve a loss of 15 per cent., but inasmuch as there would be no other market for it except at such rates as would permit its use in the arts, it is manifest that the price would fall very much below the lowest limit which it has yet touched. Nor could any remedy for this embarrassment be found in increased taxes, for they would be paid in these coin notes, which could only be used for the purchase of more bullion.

The whole proposition, therefore, simply resolves itself into an attempt on the part of the owners of the silver-mines to sell their entire product to the Government of the United States at a price 15 per cent. above its present market value for their own personal profit, with the dead certainty that Government could not resell the accumulated bullion, not only of our own markets, but of the world, except at a frightful loss, which must be borne by the tax-payers of this country.

#### THE COIN NOTES CANNOT CIRCULATE AS MONEY.

This proposition is so plain that I am overcome with astonishment at the audacity of its authors, whoever they may be, and the failure of the Committee on Mines and Mining to comprehend the fatal bearings of the bill which they have reported. But we shall be told that these coin notes would circulate as money and drive out the legal-tender notes. As no provision is made for the retirement of the legal-tender notes I cannot see where they would be driven to,

money of account of the country, by the same denomination, a pound; and it being left free to every one who has a pound to pay, either to pay it in the one metal or in the other.

At the time when the valuation of the two metals relatively to each other—say twenty shillings to the sovereign or twenty-one shillings to the guinea—was first made, the proportion probably corresponded, as nearly as it could be made to do, with the ordinary relative values of the two metals, grounded on their cost of production; and if those natural or cost values always continued to bear the same ratio to one another, the arrangement would be unobjectionable. This, however, is far from being the fact. Gold and silver, though the least variable in value of all commodities, are not invariable and do not always vary simultaneously. Silver,

and if both classes of notes should, in effect, continue in circulation, the result would be inflation to the extent of the whole amount of the coin notes issued. But this result is impossible, for the legal-tender notes becoming redeemable in silver instead of gold, and not being payable on demand, would at once fall to a discount upon the price of silver equal to the present discount upon the price of gold. In other words, they would be at a discount of 12 per cent. upon the value of the silver-coin notes. They would therefore be the inferior currency, and, being a legal-tender for the payment of debts, would continue to circulate to the exclusion of the coin notes, which would only be used for the payment of the duties upon imports. The only effect they could have would be to drive out all the gold from the country, because there would be no longer any use for gold, the duties being payable in silver, which the Government would be expected to use by the advocates of this bill for the payment of interest upon the public debt.

#### HOW SHALL WE PAY THE NATIONAL DEBT?

Thus we are brought face to face with the proposition that the public debt shall be paid principal and interest in silver coin at the rate of 412.8 grains to the dollar, which has had no existence in law since 1873, and had no existence in fact since 1834. And we deliberately propose to adopt this mode of payment because silver has fallen below its value at the time of the contract, and we can thereby make a profit at the expense of the national creditors. If the authors of this scheme reflected that it will be at the expense of the national credit; that it will be regarded by the whole civilized world as an act of deliberate robbery; that it will be henceforth impossible to convert any more of our 6 per cent. bonds into new bonds bearing a lower rate of interest; that on the fourteen hundred millions of debt yet remaining to be provided for we should thus lose at least 2 per cent. annually, amounting to \$28,000,000 per annum, and that we should practically isolate ourselves from the commerce of the globe as much as China was formerly shut in from the civilized world, and that we should be regarded as a nation incapable of comprehending the first principles of common honesty, they would take pause and shudder at the disastrous consequences involved in the ill-considered bill which they have reported "to utilize the products of the gold and silver mines" at the expense of the prosperity and the honor of the country. Let it not be forgotten that "Honor's train is longer than his foreskirt."

#### WHO WILL BE PROFITED?

And now let us consider for a moment who is to profit by this monstrous proposition. So far as the country is concerned, it is evident that there can only be loss, without any corresponding justification or advantage whatever, and the end must be such a general destruction in the values of property as to plunge the nation into difficulties and distress which it would require the patient efforts and the wise statesmanship of a whole generation to repair. But, in the process of this transfer of property and this destruction of values, the speculator and the gambler would have abundant opportunity to profit at the expense of the whole community.

Pass this bill, and the rise in gold would be measured by the exact difference between the market value of silver and the fictitious value which is imparted to it by the provisions of the bill. The rise would be from 15 to 20 per cent., according to the fluctuations in the price of silver. On every million of dollars on which the gold-gamblers have gone "long," there would be a profit of from one hundred and fifty to two hundred thousand dollars, and the number of millions to which this fraternity would go "long" are only to be estimated by the number of victims who can be found to take part in this game of "heads I win, and tails you lose."

Again the owners of the Bonanza mines, who, by the fall in the

for example, was lowered in permanent value more than gold by the discovery of the American mines; and those small variations of value which take place occasionally do not affect both metals alike. Suppose such a variation to take place, the value of the two metals relatively to one another no longer agreeing with their rated proportion, one or the other of them will now be rated below its bullion value and there will be a profit to be made by melting it.

Suppose, for example, that gold rises in value relatively to silver, so that the quantity of gold in a sovereign is now worth more than the quantity of silver in twenty shillings. Two consequences will ensue. No debtor will any longer find it his interest to pay in gold. He will always pay in silver, because twenty shillings are a legal tender for a debt of one pound, and he can procure silver convertible into twenty shillings for less gold than that contained in a sovereign. The other consequence will be that unless a sovereign can be sold for more than twenty shillings all the sovereigns will be melted, since as bullion they will purchase a greater number of shillings than they exchange for as coin. The converse of all this would happen if silver instead of gold were the metal which had risen in comparative value. A sovereign would not now be worth so much as twenty shillings, and whoever had a pound to pay would prefer paying it by a sovereign; while the silver coins would be collected for the purpose of being melted and sold as bullion for gold at their real value, that is, above the legal valuation. The money of the community, therefore, would never really consist of both metals, but of the one only which at the particular time best suited the interest of debtors; and the standard of the currency would be constantly liable to change from the one metal to the other, at a loss on each change of the expense of coinage on the metal which fell out of use.

It appears, therefore, that the value of money is liable to more frequent fluctuations when both metals are a legal-tender at a fixed valuation than when the exclusive standard of the currency is either gold or silver. Instead of being only affected by variations in the cost of production of one metal, it is subject to derangement from those of two. The particular kind of variation to which a currency is rendered more liable by having two legal standards is a fall of value, or what is commonly called a depreciation; since practically that one of the two metals will always be the standard of which the real has fallen below the rated value. If the

value of silver, are receiving \$6,000,000 annually less than they expected to get, would, by reason of the expected advantages of the legislation, be enabled to impart new life to their decaying stocks, and thus transfer to a confiding public, at high prices, property which is becoming too precarious for these sagacious operators longer to retain. Thus only have I been able to explain for myself, and I trust I have made it plain to this House, and that the country will understand, how it has been possible to get this bill reported from a committee which is not charged under the rules with the consideration of financial bills of any kind whatever, much less of one which unsettles the whole financial system of this country and attacks the foundations upon which public and private credit has hitherto securely rested. It proposes a revolution before which all political questions sink into insignificance; it undertakes at the heels of the session, and practically without debate, the decision of one of the greatest and the gravest questions now before the world; one which has already involved the Indian Empire in disaster and bankruptcy; one upon which a British commission has been in session for months; one upon which a committee of the House of Peers of the French Republic has been and is still in session; one which seriously disturbs the German fiscal system and has caused the Latin Union to stop its coinage; one upon which the wisest and best political economists of the world are in doubt and at variance. This great question, which affects every household throughout the civilized globe, is sought to be disposed of by an inappropriate committee of this House as the Doorkeeper would brush away a cobweb from one corner of this Hall.

#### REFERENCE TO A COMMISSION.

If these gentlemen really desire to deal intelligently with this great question, let them withdraw their bill and support the concurrent resolution now pending for the appointment of a commission of competent experts to consider this matter in all its bearings, political, financial, and social, and to report the results of the investigation at the next session of Congress, when they can be discussed with deliberation, good temper, and calm judgment, so that the really serious interests involved may be cared for with wisdom and with statesmanship.

#### CONCLUSION.

It would seem to be clear, then, that the proposed legislation is not in the public interest, but in furtherance of private speculation at the expense of the public welfare, whereby the property of creditors will be needlessly confiscated, involving debtors and creditors in one common ruin; whereby the savings of the poorer classes will be despoiled by the shrinkage in their value, and the provision made for widows and orphans through the beneficent agency of life-insurance will be impaired; whereby it will become impossible to fund the public debt at a lower rate of interest, thus perpetuating the heavy burden of taxation; whereby American credit will be ruined at home and abroad, and an irreparable check will be given to our slowly returning prosperity; whereby a precedent will be set, dangerous to the commonwealth and fatal to our liberties, of using the sovereign power to coin money for the express benefit of private and individual interests, which if followed up must end in the destruction of free government.

Summing up the whole matter, I conclude that the demonetization of the silver dollar in 1873 was not effected by surreptitious or improper legislation; that while it is competent for Congress to order the coinage of a new silver dollar, it has no right in law or morals to give it any other value than one which conforms strictly to the value of the existing standard of value, which is the gold dollar; that the debtor class will not only not experience any relief if the proposed legislation should be enacted, but would be hopelessly ruined; that this legislation would not reduce the burden of national, State, and

tendency of the metals be to rise in value, all payments will be made in the one which has risen the least; and if to fall, then in that which has fallen most.

§ 2. The plan of a double standard is still occasionally brought forward by here and there a writer or orator as a great improvement in currency. It is probable that with most of its adherents its chief merit is its tendency to a sort of depreciation, there being at all times abundance of supporters for any mode, either open or covert, of lowering the standard. Some, however, are influenced by an exaggerated estimate of an advantage which to a certain extent is real, that of being able to have recourse for replenishing the circulation, to the united stock of gold and silver in the commercial world, instead of being confined to one of them, which, from accidental absorption, may not be obtainable with sufficient rapidity. The advantage without the disadvantages of a double standard seems to be best obtained by those nations with whom one only of the two metals is a legal tender, but the other also is coined and allowed to pass for whatever value the market assigns to it.

When this plan is adopted, it is naturally the more costly metal which is left to be bought and sold as an article of commerce. But nations which, like England, adopt the more costly of the two as their standard resort to a different expedient for retaining them both in circulation—namely, to make silver a legal tender, but only for small payments. In England no one can be compelled to receive silver in payment for a larger amount than forty shillings. With this regulation there is necessarily combined another, namely, that silver coin should be rated, in comparison with gold, somewhat above its intrinsic value; that there should not be in twenty shillings as much silver as is worth a sovereign; for if there were a very slight turn of the market in its favor would make it worth more than a sovereign, and it would be profitable to melt the silver coin. The overvaluation of the silver coin creates an inducement to buy silver and send it to the mint to be coined, since it is given back at a higher value than properly belongs to it; this, however, has been guarded against by limiting the quantity of the silver coinage, which is not left, like that of gold, to the discretion of individuals, but is determined by the government, and restricted to the amount supposed to be required for small payments. The only precaution necessary is not to put so high a valuation upon the silver as to hold out a strong temptation to private coining.—John Stuart Mill, *Principles of Political Economy*, book 2, chapter 10.



municipal taxation, but would make it heavier to be carried; that labor would not be benefited, but that the return to better times would be indefinitely postponed, in consequence of the flight of capital from the walks of industry to regions where it will be safe from spoliation.

I do not conclude, however, that it may not be expedient to remonetize the silver dollar at its real value when it can be determined and upon proper conditions; or that it may not be wise to re-establish the double standard, if it be found to be practicable, which I doubt; or that it may not be the wisest course of all to have but a single standard of silver, which is certainly feasible. Upon these points I reserve my judgment until we can have the report of a competent commission, such as was contemplated in the bill which I had the honor to introduce, the substance of which is incorporated in the concurrent resolution reported by the Committee on Banking and Currency and now before the House, in favor of which I shall record my vote, as the only statesman-like method to deal with a question which puzzles the wisest heads.

NOTE.—On April 25, 1870, the Secretary of the Treasury transmitted the following letter to Hon. JOHN SHERMAN, chairman of the Finance Committee of the Senate:

TREASURY DEPARTMENT, April 25, 1870.

SIR: I have the honor to transmit herewith a bill revising the laws relative to the Mint, assay offices, and coinage of the United States, and accompanying report. The bill has been prepared under the supervision of John Jay Knox, deputy comptroller of the currency, and its passage is recommended in the form presented. It includes, in a condensed form, all the important legislation upon the coinage, not now obsolete, since the first mint was established, in 1792; and the report gives a concise statement of the various amendments proposed to existing laws and the necessity for the change recommended. There has been no revision of the laws pertaining to the Mint and coinage since 1837, and it is believed that the passage of the inclosed bill will conduce greatly to the efficiency and economy of this important branch of the Government service.

I am, very respectfully, your obedient servant,

GEO. S. BOUTWELL,  
Secretary of the Treasury.

The report and the bill were referred on April 28, 1870, to the Finance Committee of the Senate, and subsequently, on May 2, 1870, five hundred additional copies were ordered to be printed for the use of the Treasury Department. The report says:

The method adopted in the preparation of the bill was first to arrange in as concise a form as possible the laws now in existence upon these subjects, with such additional sections and suggestions as seemed valuable. Having accomplished this, the bill, as thus prepared, was printed upon paper with wide margin, and in this form transmitted to the different mints and assay offices, to the First Comptroller, the Treasurer, the Solicitor, the First Auditor, and to such other gentlemen as are known to be intelligent upon metallurgical and numismatical subjects, with the request that the printed bill should be returned with such notes and suggestions as experience and education should dictate. In this way the views of more than thirty gentlemen who are conversant with the manipulation of metals, the manufacture of coinage, the execution of the present laws relative thereto, the method of keeping accounts, and of making returns to the Department, have been obtained with but little expense to the Department and little inconvenience to correspondents. Having received these suggestions, the present bill has been framed, and is believed to comprise within the compass of eight or ten pages of the Revised Statutes every important provision contained in more than sixty different enactments upon the Mint, assay offices, and coinage of the United States, which are the result of nearly eighty years of legislation upon these subjects.

The amendments proposed by the bill were as follows:

#### PROPOSED AMENDMENTS.

The new features of the bill now submitted are chiefly: the establishment of a Mint Bureau at the Treasury Department, which shall also have charge of the collection of statistics relative to the precious metals; the consolidation of the office of superintendent with that of the Treasurer, thus abolishing the latter office, and disconnecting the Mint entirely from the office of assistant treasurer; the repeal of the coinage charge, and authorizing the exchange of unpaired for refined bars; a reduction in the amount of wastage, and the tolerance (deviation in weight and fineness) in the manufacture of coin; requiring the token coinage to be of one material of uniform value, and to be redeemed under proper regulations when issued in excess, and the expense of its manufacture to be paid from specific appropriations, and not from the gain arising in its manufacture, as heretofore; an entire change in the manner of issuing the silver (subsidiary) coinage; discontinuing the coinage of the silver dollar, limiting the amount of silver to be used as alloy, so as to make the gold coinage of uniform color; the destruction of the dies not in use annually; requiring vouchers to pass between the different officers of the Mint in all transfers of bullion or coin; requiring increased bonds from officers of the Mint, and authorizing each officer to nominate his subordinate before appointment; and also making it an offense to increase or diminish the weights used in the Mint.

The report of Mr. KNOX called special attention to the discontinuance of the silver dollar as a standard, as may be seen from the following paragraph on page 11:

#### SILVER DOLLAR—ITS DISCONTINUANCE AS A STANDARD.

The coinage of the silver-dollar piece, the history of which is here given, is discontinued in the proposed bill. It is by law the dollar unit, and assuming the value of gold to be fifteen and one-half times that of silver, being about the mean ratio for the past six years, is in gold a premium of about 3 per cent. (its value being \$103.12) and intrinsically more than 7 per cent. premium in our other silver coins, its value thus being \$107.42. The present laws consequently authorize both a gold-dollar unit and a silver-dollar unit, differing from each other in intrinsic value. The present gold-dollar piece is made the dollar unit in the proposed bill, and the silver-dollar piece is discontinued. If, however, such a coin is authorized, it should be issued only as a commercial dollar, not as a standard unit of account, and of the exact value of the Mexican dollar, which is the favorite for circulation in China and Japan and other oriental countries.

The appendix to the report contained a copy of the English coinage act of 1870, and four tables giving (1) the existing coinage, including the silver dollar; (2) the proposed coinage in which the silver dollar was omitted; (3) a metric system of coinage suggesting

the issue of a subsidiary silver coinage consisting of two half dollars constituting in weight and fineness an exact equivalent to the French five-franc piece, and a quarter dollar and dime with proportionate weight and fineness, which proposition was finally adopted; (4) a table giving a comparison of coinage existing and proposed. A note at the foot of this table states that the silver dollar, half dime, and three-cent piece are omitted in the proposed bill. Subsequently, on June 25, 1870, the Secretary of the Treasury transmitted to the House of Representatives a letter of the then deputy comptroller of the currency, together with copies of the correspondence of the Department with the officers of the different mints, assay offices, and other experts in reference to the bill and report previously submitted.

The bill in its original form, which was transmitted to the correspondents throughout the country for consideration and comment, contained the following section, as appears from the manuscript copy at the Treasury Department:

SEC. 15. And be it further enacted, That of the silver coins [the weight of the dollar shall be 384 grains] (now 412½ grains) the weight of the half dollar or piece of fifty cents shall be 192 grains; and that the quarter dollar and dime [and half dime] shall be, respectively, one-half and one-fifth [and one-tenth] of the weight of said half dollar. That the silver coin issued in conformity with the above sections shall be a legal tender in any one payment of debts for all sums [not exceeding \$5, except duties on imports] less than \$1.

If the words inclosed in [brackets] of the section as here given are excluded and the words in *italics* included, the section will conform precisely to the section which was transmitted to Congress and which passed the Senate on January 9, 1871.

The dollar of 384 grains was proposed in the rough revision of the bill for the purpose of obtaining an expression of opinion in reference to the proposed omission of the dollar piece and the words "except duties on imports" inserted for the reason that a regulation or usage at the custom-house in New York limits the payment of silver coins to the fractional parts of the dollar, except when the payment to be made is \$5 or less. Several gentlemen in their criticisms upon the rough revision of the bill referred to this section.

Hon. James Pollock, the Director of the Mint at Philadelphia, said:

SEC. 11. The reduction of the weight of the whole dollar is approved, and was recommended in my annual report of 1861. (Page 10.)

Mr. Robert Patterson, of Philadelphia, sent to Mr. Knox some notes on the bill suggesting amendments. He called attention to one of these in the following words:

The silver dollar, half dime, and three-cent piece are dispensed with by this amendment. Gold becomes the standard money, of which the gold dollar is the unit. Silver is subsidiary, embracing coins from the dime to half dollar; coins less than the dime are of copper-nickel. The legal tender is limited to necessities of the case; not more than a dollar for such silver or fifteen cents for the nickels.

Mr. Franklin Peale, formerly melter and refiner and chief coiner of the Mint at Philadelphia, recommended the discontinuance of the three and one dollar gold pieces and supplying the place of the latter with a proper silver coin to be used as change. Dr. H. R. Linderman, the present Director of the Mint, said:

Section 11 reduces the weight of the silver dollar from 412½ to 384 grains. I can see no good reason for the proposed reduction in the weight of this coin. It would be better in my opinion to discontinue its issue altogether. The gold dollar is really the legal unit and measure of value. Having a higher value as bullion than its nominal value, the silver dollar long ago ceased to be a coin of circulation; and being of no practical use whatever its issue should be discontinued.

Mr. James Ross Snowden, formerly Director of the Mint, said:

I see that it is proposed to demonetize the silver dollar. This I think undesirable. Silver coins below the dollar are now not money in a proper sense, but only tokens. I do not like the idea of reducing the silver dollar to that level. It is quite true that the silver dollar, being more valuable than two half dollars or four quarter dollars, will not be used as a circulating medium, but only for cabinets and perhaps to supply some occasional or local demand; yet I think there is no necessity for so considerable a piece as the dollar to be struck from metal which is only worth ninety-four cents. When we speak of dollars let it be known that we speak of dollars not demonetized and reduced below their intrinsic value, and thus avoid the introduction of contradictory and loose ideas of the standards of value.

Mr. George F. Dunning, formerly superintendent of the United States assay office in New York, proposed that the law in regard to the silver coinage should be in the following language:

SEC. 11. And be it further enacted, That the silver coins of the United States shall be a dollar, a half dollar, a quarter dollar, a dime or tenth of a dollar, and a half dime or twentieth of a dollar; and the standard weight of the silver coins shall be in the proportion of 384 grains to the dollar, and these coins shall be a legal tender in all payments not exceeding \$5.

The officers of the San Francisco branch mint made the following suggestions:

SEC. 11. Would not the proposed change in the weight of the silver dollar disturb the relative value of all our coinage, affect our commercial conventions, and possibly impair the validity of contracts running through a long period? Might not the dollar be retained as a measure of value, but the coinage of the piece for circulation be discontinued?

Mr. E. B. Elliott, of the Treasury Department, gave a complete history of the silver dollar, and suggested the issue of a commercial dollar of nine-tenths fineness, and containing of pure silver just 25 grams, in place of the then existing silver dollar of 412½ grains; the proposed silver dollar being almost the exact equivalent of the silver contained in the older Spanish-Mexican pillared dollar, established in 1704 by proclamation of Queen Anne as a legal tender of payment and accepted as par of exchange for the British colonies of North America at the rate of fifty-four pence sterling to the dollar, or four and nine-ninths dollars to the pound sterling.

On December 19, 1870, the bill was reported from the Finance Committee of the Senate and printed with amendments.

On January 9, 1871, in accordance with previous notice, the bill came before the Senate and was discussed during that day and the following day by Senators SHERMAN, SUMNER, BAYARD, Stewart of Nevada, Williams, Casserly, MORRILL, and others, and passed the Senate on the 10th by a vote of 36 yeas to 14 nays.

On January 13, 1871, on motion of Hon. WILLIAM D. KELLEY, the Senate bill was ordered to be printed. On February 25, 1871, Mr. KELLEY, the chairman of the Committee on Coinage, reported the bill back with an amendment in the nature of a substitute, when it was again printed and recommitted. Mr. KELLEY again, on March 9, 1871, introduced the bill in the Forty-second Congress, when it was ordered to be printed, and referred to the Committee on Coinage when appointed.

On January 9, 1872, the bill was reported by Mr. KELLEY, chairman of the Coinage Committee, with the recommendation that it pass. The bill was read, and discussed at length by Messrs. KELLEY, Potter, GARFIELD, Maynard, DAWES, HOLMAN, and others. Mr. KELLEY, in the opening speech, said:

The Senate took up the bill and acted upon it during the last Congress and sent it to the House; it was referred to the Committee on Coinage, Weights, and Measures, and received as careful attention as I have ever known a committee to bestow on any measure.

We proceeded with great deliberation to go over the bill not only section by section, but line by line, and word by word; the bill has not received the same elaborate consideration from the Committee on Coinage of this House, but the attention of each member was brought to it at the earliest day of this session; each member procured a copy of the bill and there has been a thorough examination of the bill again.—*Congressional Globe*, volume 100, page 322.

Mr. KELLEY on the same day also said:

There are one or two things in this bill. I will say to the gentleman from New York with his permission, which I personally would like to modify; that is to say, I would like to follow the example of England and make a wide difference between our silver and gold coinage.

I would have liked to have made the gold dollar uniform with the French system of weights, taking the gram as a unit. (Page 323, volume 100.)

On January 10, 1872, the bill after considerable discussion was again recommitted, and on February 9, 1872, it was again reported from the Coinage Committee by Hon. Samuel Hooper, printed and recommitted, and on February 13, 1872, reported back by Mr. Hooper with amendments, printed, and made the special order for March 12, 1872, until disposed of.

On April 9, 1872, the bill came up in the House for consideration. Mr. Hooper, in a carefully prepared speech of ten columns, explained the provisions of each section of the bill. In this speech (page 2306, volume 102, of the *Congressional Globe*) he says:

Section 16 re-enacts the provisions of the existing laws defining the silver coins and their weights, respectively, except in relation to the silver dollar, which is reduced in weight from 412½ to 384 grains, thus making it a subsidiary coin in harmony with the silver coins of less denomination to secure its concurrent circulation with them. The silver dollar of 412½ grains, by reason of its bullion or intrinsic value being greater than its nominal value, long since ceased to be a coin of circulation, and is melted by manufacturers of silverware. It does not circulate now in commercial transactions with any country, and the convenience of these manufacturers in this respect can better be met by supplying small stamped bars of the same standard, avoiding the useless expense of coining the dollar for that purpose.

Mr. Stoughton, of the Coinage Committee, also made a speech of seven columns, in which he says:

The silver coins provided for are the dollar, 384 grains troy, the half-dollar, quarter-dollar, and dime, of the value and weight of one-half, one-quarter, and one-tenth of the dollar, respectively; and they are made a legal tender for all sums not exceeding \$5 at any one payment. The silver dollar, as now issued, is worth for bullion three and one-fourth cents more than the gold dollar and seven and one-fourth cents more than two half dollars; having a greater intrinsic and nominal value, it is certain to be withdrawn from circulation whenever we return to specie payment, and to be used only for manufacture and exportation as bullion.

Mr. Potter, in commenting upon the bill, says:

Mr. Speaker, this is a bill of importance. When it was before the House in the early part of this session I took some objections to it which I am inclined now to think, in view of all the circumstances, were not entirely well founded, but after further reflection I am still convinced that it is a measure which it is hardly worth while for us to adopt at this time. \* \* \* This bill provides for the making of changes in the legal-tender coin of the country and for substituting as legal tender coin of only one metal instead as heretofore of two. I think myself this would be a wise provision, and that legal-tender coins, except subsidiary coin, should be of gold alone; but why should we legislate on this now when we are not using either of those metals as a circulating medium?

The bill provides also for a change in respect of the weight and value of the silver dollar, which I think is a subject which, when we come to require legislation about it at all, will demand at our hands very serious consideration, and which, as we are not using such coins for circulation now, seems at this time to be an unnecessary subject about which to legislate. (Page 2310, volume 102.)

Mr. KELLEY also said:

I wish to ask the gentleman who has just spoken [Mr. POTTER] if he knows of any government in the world which makes its subsidiary coinage of full value. The silver coin of England is 10 per cent. below the value of gold coin, and, acting under the advice of the experts of this country and of England and France, Japan has made her silver coinage within the last year 12 per cent. below the value of gold coin, and for this reason: It is impossible to retain the double standard. The values of gold and silver continually fluctuate. You cannot determine this year what will be the relative values of gold and silver next year. They were 15 to 1 a short time ago; they are 16 to 1 now.

Hence all experience has shown that you must have one standard coin which shall be a legal tender for all others, and then you may promote your domestic convenience by having a subsidiary coinage of silver, which shall circulate in all parts of your country as legal tender for a limited amount and be redeemable at its face value by your Government. But, sir, I again call the attention of the House to the

fact that the gentlemen who oppose this bill insist upon maintaining a silver dollar worth three and one-half cents more than the gold dollar and worth seven cents more than two half dollars, and that so long as those provisions remain you cannot keep silver coin in the country.

On May 27, 1872, the bill was again called up by Mr. Hooper, for the purpose of offering an amendment in the nature of a substitute, and the bill, as amended, passed that day—yeas 110, nays 13.

Just previous to the passage of the bill Mr. McNeely, of the Coinage Committee, said:

As a member of the Committee on Coinage, Weights, and Measures, having carefully examined every section and line of this bill, and generally understanding the subject before us, I am satisfied that the bill ought to pass. (Page 3653, volume 104.)

The substitute reported by Mr. Hooper and passed by the House, so far as it refers to silver coinage, was identical with the bill previously reported from the Coinage Committee by him. It was also identical with the bill introduced by Mr. KELLEY, with the single exception of the provision authorizing the coinage of a silver dollar weighing 384 grains. The bill of Mr. KELLEY, so far as it related to the silver coinage, was identical with the bill which was prepared at the Treasury Department, and which had passed the Senate, excepting that the latter bill made the silver coin a legal tender for all sums less than \$1, while the bill of Mr. KELLEY made the silver coins a legal tender for \$5 in any one payment.

The bill was again printed in the Senate on May 29, 1872, and referred to the Finance Committee. Senator SHERMAN in reporting it back on December 16, 1872, said:

This bill has, in substance, passed both Houses, except that the Senate bill enlarged and increased the salaries of the officers of the Mint; it was passed by the Senate at the session of the last Congress, went to the House, and now somewhat modified has passed the House at this Congress, so that the bill has practically passed both Houses of Congress. The Senate Committee on Finance propose a modification of only a single section; but as this is not the same Congress that passed the bill in the Senate, I suppose it will have to go through the form of a full reading unless the Senate are willing to take it on the statement of the committee, the Senate already having debated it and passed it. (Page 203, volume 106, third session Forty-second Congress.)

After further debate, on motion of Mr. Cole, the bill was printed in full with amendments.

On January 7, 1873, it was again reported with amendments and again printed for the information of the Senate. It passed that body on January 17, 1873, after a discussion occupying nineteen columns of the *Congressional Globe*. In the course of the debate Senator SHERMAN said:

This bill proposes a silver coinage exactly the same as the French, and what are called the associated nations of Europe, who have adopted the international standard of silver coinage; that is, the dollar [two half dollars] provided for by this bill is the precise equivalent of a five-franc piece. It contains the same number of gram of silver, and we have adopted the international gram instead of the grain for the standard of our silver coinage. The trade-dollar has been adopted mainly for the benefit of the people of California and others engaged in trade with China.

That is the only coin measured by the grain instead of by the gram. The intrinsic value of each is to be stamped upon the coin. The Chamber of Commerce of New York recommended this change, and it has been adopted, I believe, by all the learned societies who have given attention to coinage, and has been recommended to us, I believe, as the general desire. That is embodied in these three or four sections of amendment to make our silver coinage correspond in exact form and dimensions and shape and stamp with the coinage of the associated nations of Europe, who have adopted an international silver coinage. (Page 673, volume 106, third session Forty-second Congress.)

The bill was sent to the House, and on January 21, 1873, on motion of Mr. Hooper, it was again printed with amendments, and subsequently committees of conference were appointed, consisting of Messrs. Hooper, Houghton, and McNeely of the House, and Senators SHERMAN, Scott, and BAYARD of the Senate. The reports of the committees of conference were agreed to, and the bill became a law on February 12, 1873, substantially as originally prepared at the Treasury.

The bill as prepared at the Treasury omitted the silver-dollar piece, and the report stated the fact of its omission three different times and gave the reasons therefor. The silver-dollar piece was omitted from the bill as it first passed the Senate. It was also omitted from the bills reported by Mr. KELLEY; but in the bills reported by Mr. Hooper a new silver dollar was proposed equal in weight (384 grains) to two of the half dollars then authorized.

The Senate substituted a trade-dollar weighing 420 grains in place of the dollar of 384 grains, in accordance with the wishes of the dealers in bullion upon the Pacific coast, that being considered by them as the most advantageous weight for a coin to be used for shipment to China and Japan.

The weight of the subsidiary silver coin was increased about 4 per cent. in value, making the half dollar, quarter dollar, and dime, respectively, of the weight of 12½ grains, 6½ grains, and 2½ grains, or precisely one-half, one-quarter, and one-tenth, respectively, of the weight of the French five-franc piece. All of said coins were made a legal tender in nominal value for any amount not exceeding \$5 in any one payment. The bill was read in full in the Senate several times, and the record states on January 9, 1872, that it was read in the House. It was undoubtedly read at other times. The bill was printed separately eleven times and twice in reports made by the deputy comptroller of the currency, thirteen times in all by order of Congress. It was considered at length by the Finance Committee of the Senate and the Coinage Committee of the House during five different sessions, and the



debates upon the bill in the Senate occupied sixty-six columns of the Globe and in the House seventy-eight columns of the Globe.

The Secretary of the Treasury called the special attention of Congress to the bill in his annual reports for 1870, 1871, and 1872. In his report of 1872, he says:

In the last ten years the commercial value of silver has depreciated about 3 per cent. as compared with gold, and its use as a currency has been discontinued by Germany and by some other countries. The financial condition of the United States has prevented the use of silver as currency for more than ten years, and I am of opinion that upon grounds of public policy no attempt should be made to introduce it, but that the coinage should be limited to commercial purposes, and designed exclusively for commercial uses with other nations.

The intrinsic value of a metallic currency should correspond to its commercial value, or metal should be used for the coinage of tokens redeemable by the Government at their nominal value. As the depreciation of silver is likely to continue, it is impossible to issue coin redeemable in gold without ultimate loss to the Government; for when the difference becomes considerable the holders will present the silver for redemption and leave it in the hands of the Government, to be disposed of subsequently at a loss.

Therefore, in renewing the recommendations heretofore made for the passage of the mint bill, I suggest such alterations as will prohibit the coinage of silver for circulation in this country, but that authority be given for the coinage of a silver dollar that shall be as valuable as the Mexican dollar, and to be furnished at its actual cost.

As a final answer to the charge that the bill was passed surreptitiously, I append, first, a copy of the section in reference to the issue of silver coins as printed in the report of the Treasury Department, and as passed by the Senate; second, a copy of the section as reported by Mr. KELLEY; third, a copy of the section as reported by Mr. Hooper; fourth, a copy of the section as finally passed by the Senate and agreed upon by the conference committee.

The following section was printed in the two reports of John Jay Knox, deputy comptroller of the currency, to Congress; also in Senate bill 859, Forty-first Congress, second session, April 28, 1870; in Senate bill 859, December 19, 1870, and January 11, 1871, third session, Forty-first Congress, as reported by Mr. SHERMAN:

SEC. 15. *And be it further enacted*, That of the silver coins, the weight of the half dollar, or piece of fifty cents, shall be 192 grains; and that of the quarter dollar and dime shall be, respectively, one-half and one-fifth of the weight of said half dollar; that the silver coin issued in conformity with the above section shall be a legal tender in any one payment of debts for all sums less than \$1.

The following section was printed in Senate bill 859, Forty-first Congress, third session, February 25, 1871; and House bill No. 5, Forty-second Congress, first session, March 9, 1871, as reported by Mr. KELLEY:

SEC. 15. *And be it further enacted*, That of the silver coins, the weight of the half dollar, or piece of fifty cents, shall be 192 grains; and the quarter dollar and dime shall be, respectively, one-half and one-fifth of the weight of said half dollar; which coins shall be a legal tender, at their denominational value, for any amount not exceeding \$5 in any one payment.

The following section was printed in House bill No. 2934, May 29, 1872; House bill No. 1427, February 9, 1872, and February 13, 1872, Forty-second Congress, second session, as reported by Mr. Hooper:

SEC. 16. That the silver coins of the United States shall be a dollar, a half dollar or fifty-cent piece, a quarter dollar or twenty-five-cent piece, and a dime or ten-cent piece; and the weight of the dollar shall be 384 grains; the half dollar, quarter dollar, and the dime shall be, respectively, one-half, one-quarter, and one-tenth of the weight of said dollar; which coins shall be a legal tender, at their denominational value, for any amount not exceeding \$5 in any one payment.

The following section was printed in House bill No. 2934, December 16, 1872, January 7, 1873, and January 21, 1873, Forty-second Congress, third session, as reported by Mr. SHERMAN:

That the silver coins of the United States shall be a trade-dollar, a half dollar or fifty-cent piece, a quarter dollar or twenty-five-cent piece, a dime or ten-cent piece; and the weight of the trade-dollar shall be 420 grains troy; the weight of the half dollar shall be 192 grains; the quarter dollar and the dime shall be, respectively, one-half and one-fifth of the weight of said half dollar; and said coins shall be a legal tender at their nominal value for any amount not exceeding \$5 in any one payment.

The following section was contained in all of the different bills and the coinage act of 1873:

SEC. 18. *And be it further enacted*, That no coins, either of gold, silver, or minor coinage, shall hereafter be issued other than those of the denominations, standards, and weights herein set forth.

Copies of the different bills may be obtained at the document-room of the Senate.

#### River and Harbor Bill and Democratic Reform.

### SPEECH OF HON. JOHN D. WHITE,

OF KENTUCKY,

IN THE HOUSE OF REPRESENTATIVES,

August 10, 1876.

On the river and harbor bill and democratic reform.

Mr. WHITE. Mr. Speaker, after long waiting we now come to the final vote on the passage of the river and harbor appropriation bill.

We are asked to adopt without discussion and without debate, or without the poor privilege of offering any amendments, the report on this bill as agreed upon by the conferees of the Senate and House of Representatives.

We were told when this bill was first presented to the House by our own Committee on Commerce that we had better pass it at once and let it go to the Senate so as to save time. Not wishing to appear as opposed to the principle of appropriating money for internal improvements, I voted on that occasion for the bill.

But, sir, now that it is complete, and we must either adopt or reject it in its present form, I shall not hesitate to vote against it.

I am not one of those who believe it to be unconstitutional to make appropriations for internal improvements. On the contrary, I believe in and would favor a proposition that would have for its object the building of great thoroughfares from the East to the West, so as to furnish cheap transportation, both by rail and by water, between remote sections of our country.

The third paragraph of section 8, article 1, of the Constitution of the United States declares that Congress shall have power—

To regulate commerce with foreign nations, and among the several States and with the Indian tribes.

In addition to this Congress is given power "to make all laws which shall be necessary and proper for carrying into execution" the power "to regulate commerce among the several States."

Since the United States first entered upon a scheme of internal improvements by appropriating money out of its revenue for the construction of the Cumberland turnpike road there have been hundreds of millions of dollars of the public moneys and many millions of acres of the public lands appropriated for making surveys, improving rivers and harbors, and the building of railways and canals in various parts of the Union. And I do not complain of what has been done in the past.

But it occurs to me that it is worth our while to consider this proposition, namely, are we doing the fair thing by all sections of the country? Not whether we are making a *pro rata* distribution for improvements of local importance; but whether we are not developing one State or a number of States to the injury and neglect of other States.

It will not be denied that up to the present time the millions of the money which has been appropriated "for the construction, repair, preservation, and completion of public works on rivers and harbors and for other purposes" have gone to the East, the North, and the Northwest, while only the hundreds and thousands have gone to the West and the South.

What has developed Michigan, Wisconsin, Minnesota, Iowa, Nebraska, and Kansas? Land grants to railroads, to the public schools, and money appropriated for improving their rivers and harbors. So rapidly have the North and Northwest grown in population, in wealth, and all that constitutes prosperity and greatness, and so slow has been the progress of the West and South, that the attractions of the latter, as to climate, soil, and varied resources have been overlooked and the advantages of the former have been overestimated.

Look at Kentucky and Tennessee. There are no richer States than they in natural resources in the Union. Yet they advance so slowly in population and wealth, and consequently in education, that they seem to stand still so far as they behind their progressive neighbors.

We are naturally led to inquire, What is the cause of such a state of things? And in looking about for an answer I have come to the conclusion that Congress is largely to blame for it. Congress is responsible in this, that it has done little or nothing to build us up, and it has done much to pull us back and check our progress. It is undoubtedly true that the institution of slavery discouraged immigration that might have been attracted to the grand old Commonwealth of Kentucky. And the unsettled state of affairs consequent upon its abolition has been quite as effectual in preventing immigration to our borders.

The class legislation which has characterized the administration of State affairs by the party in power in my State has not made the most favorable impression on immigrants. Take for example the legislation which permits, sanctions, and so controls affairs that hundreds and thousands of its citizens can receive no education at all, as is the case in my State. What impression must this fact alone make on the mind of a man seeking a home among strangers?

I clip the following from the American Citizen, a newspaper edited and published at Lexington, Kentucky, by colored gentlemen:

According to the laws of Kentucky no colored man is qualified for a juror. Colored men are taxed \$1 a head more than white men. Colored citizens have no voice in electing their school trustees. The school age of colored children is from six to sixteen, of white children from six to twenty.

Taking into account this disparity as to the school age, the State appropriation for colored schools is less than one-eighth as much per scholar as for white schools. The colored voters of Kentucky will be interested in the success of any political party which will earnestly set itself against these wrongs, but they acknowledge no obligation to any party which by silence makes itself responsible for these outrages upon their race.

Now, it is not in the interest of mixed schools that the above wrongs are enumerated. Not at all. Neither the whites nor the blacks either hope for or desire mixed schools. But they both complain that they have not better schools for their children, and especially is their complaint on account of the great discrimination made on account of race and color in the collection and distribution of the school funds.

So great is the illiteracy of the people in certain States of the Union that the Committee on Education and Labor to which I belong has reported a bill to set aside the public lands for educational pur-

poses and providing that the proceeds of the sales of those lands shall be distributed among the States on the basis of the illiteracy of the people. If this bill should become a law, as we confidently trust it may at the next session of Congress, it will do much to make the school fund for the colored people of my State equal to that of the whites, for there is a statutory provision which declares that all moneys received from the United States for educational purposes shall go to the colored school fund till it equals that for the whites.

#### MURDERS AND KU-KLUX OUTRAGES.

Another cause for the lack of immigration to my State, and some other States as well, is to be found in the fact that too little regard is had for the lives and liberties of individuals.

The number of homicides, murders, and assassinations is fearful to contemplate. I hang my head in shame to confess that the number of such outrageous violations of the law and horrifying crimes in my State is probably not overestimated by the democratic editor who makes the following statement:

#### A BAD PICTURE FOR KENTUCKY.

During the last sixteen years there have been, so far as we remember, eighteen homicides in Mason County. Only one man, Collins, who butchered the Cobb family, was punished for his crime. Bloody as this record seems, it is less so than that of any other county in the State of equal population. It is safe to say that, since the war, there have been three thousand homicides in Kentucky and the hangings have been scarcely 1 per cent. of the number of murderers.—*Maysville Eagle*, [democrat,] Kentucky.

Almost as soon as the democratic party declared for Tilden and reform the ku-klux element of that party began their ancient practices, which are set forth in the following articles:

#### AN ENTHUSIASTIC REFORM DEMONSTRATION AT LANCASTER, KENTUCKY.

[Correspondence Louisville Commercial.]

STANDFORD, KENTUCKY, June 30.

A mob, composed of the good democracy of the enlightened blue-grass region of Kentucky, visited the jail of Lancaster, Kentucky, this morning, and released one Samuel Williams, a white man who had committed a deliberate and cold-blooded murder in Casey County a few weeks since. Then, on the spur of the moment, the same party of reform hung a negro who had killed Fred. Zakey during the Lancaster riot last summer. He had been tried and acquitted, but was afterward re-arrested and placed in jail to be hung by this mob.

The party passed through here about four a. m. This is surely a glorious beginning for the party of reform.

#### DEMOCRATIC REFORM.

#### JUSTICE.

The democracy in Kentucky have commenced their work of reform, about which we hear so much noise. They took from the Lancaster jail one night last week a negro, who was incarcerated for an offense for which he had been once tried and acquitted upon testimony, and hanged him. They, at the same time, took from the same jail a cold-blooded murderer who, having been denied bail on his examining trial, was sent to that point from Russell County for safe-keeping. He was escorted away in a buggy by his K. K. brethren.—*Mountain Echo*, London, Kentucky.

This is democratic reform of the same kind that disgraced Kentucky in such a fearful manner a few years ago, and of which the following was a sample:

#### A COLORED MAN AND HIS WIFE KU-KLUXED FOR OBTAINING POSSESSION BY LAW OF THEIR CHILDREN ILLEGALLY BOUND TO SERVITUDE.

A correspondent in Todd County sends us the following: On Tuesday night, June 30, a party of fifteen or twenty disguised men went to the residence of Joel D. McCormick, of Todd County, broke into a house occupied by a colored man, Isham Link and his wife, and with dire threats and drawn pistols took possession of Isham and his wife. His wife ran out at the door next to the residence of McCormick. Three or four men followed her, knocked her down, and stamped her. Her cries aroused Mr. McCormick, who ran out, and seeing the difficulty called to his wife for his pistol, when the cowardly scoundrels fled. The other part of the band took Isham some distance from the house, stripped him to the skin, and nine of them whipped him till they were satisfied; then told him they were coming again, whip his wife severely, then kill her, and give him another light brushing and let him off.

Some of the parties are known and will be prosecuted to the extent of the law. This ku-kluxing has no political significance, but it is necessary to administer now and then some such chastisement to the colored people, especially those who are impudent (!) enough to attempt to assert their rights in a court of law. In order to keep them subdued and enslaved by terror. This difficulty evidently grew out of a couple of suits Isham's wife had with E. G. and John Wood for the possession of a couple of her children, who were illegally bound to E. G. Wood. The orders binding them were so manifestly illegal that Wood made no defense, but was on hand with an armed mob, with which by force he took the children from their mother upon the public square immediately after the county court had set aside the orders binding them and took one of them to Christian County. The mother employed an attorney in Elkton, obtained a writ of *habeas corpus*, and got possession of the one left in Todd, which very much incensed the Woods; hence the ku-kluxing. Such outrages will continue to be perpetrated in Kentucky until there is created a public sentiment that will bring such cowardly miscreants and scoundrels to justice or drive them from the State.

Here is another outrage worthy of the most blood-thirsty villains who ever lived. It is taken from the *Cynthiana* (Kentucky) News (democratic) of June 11, 1874:

#### OUTRAGEOUS MURDER BY THE KU-KLUX.

On last Friday night, June 5, 1874, at the residence of S. C. Rankin, esq., on Harrison Creek, in the northern portion of Harrison County, a most outrageous and high-handed murder was committed.

A young man named Robert Becket, aged about twenty-three years, has been engaged with Squire Rankin for several years as a farm-hand. On the night of the 5th instant the squire was absent from his home, and no person was there except his family and Robert Becket.

The strangest part of this affair is that Robert Becket was in bed with Samuel Rankin, Jr., a young man some fourteen or fifteen years of age, and was taken or called from that bed and carried some one hundred and fifty or two hundred yards from the house, without being discovered by young Rankin or any other members of the family, and found dead the next morning at sunrise, with a rope around his neck, his shirt burned off, (the only apparel on his person,) and seven bullet-holes through his body, two shots through his body opposite his heart, two through his back, and three in the back of his head.

Coroner Whitaker held an inquest over the body of Robert Becket, and made a full investigation of the horrible affair, but could find no clew to the perpetrators, except that near the body of the deceased was found the uniform of the Ku-Klux, to wit, three masks, one old hat, and a club on which was smeared clots of blood. It will be remembered that some two years ago, in this same neighborhood, Robert Becket was charged with killing Samuel Ellis, and ran away at the time, but returned and gave himself up, and was under bonds to appear at the next term of the criminal court.

Let us remark right here that Mr. Becket since his return has been a sober, industrious man.

It is just such "reform" as this that the nomination of Tilden and Hendricks encourages, and it is just such disgraceful and murderous reform as the above that the election of Tilden and Hendricks in November would saddle upon the South.

I suppose that every person has read the newspaper account of the hauling down of the national flag at Carlisle, Kentucky, on the 4th of July last.

I have a private letter concerning that disgraceful manifestation of unwhipped treason:

CARLISLE, KENTUCKY, July 13, 1876.

DEAR SIR: Yours of the 7th instant, making inquiry concerning a disreputable transaction which occurred here on Monday night, the 3d instant, came to hand two or three days ago. Circumstances over which I had no control, I regret to say, have prevented an earlier answer. The facts in the case of which you speak and referred to above are as follows: On Monday night the 3d instant the jailer of this county and the constable of this precinct, assisted by four or five others of less note, procured material and had a large rebel flag made which they intended to hoist that night in order that it might float to the breeze on the 4th; but the matter coming to the ears of a few considerate democrats, they set about to prevent the hoisting of such an emblem of treason and denounced the project in unmeasured terms, and finally succeeded in dissuading the gang from such a scandalous act. But the gallant jailer and his party, not to be outdone, at once determined that the United States flag, the Stars and Stripes, which had been suspended during the day to a cord across the street attached to the top of the business house of Adair and Mrs. Brewington on one side and to that of Peale & Co. on the other, must and should come down; and with that object in view one or two of the party, the patriotic jailer being one, went to the residence of Mrs. Brewington, (who was formerly the widow of the late Colonel Metcalfe,) some two hundred yards from their business house, and aroused her and her husband at the hour of midnight, and informed them that to keep peace and save trouble they had better come down and take down that flag, else it would be torn down or shot down. Accordingly Brewington and wife came down, and then the gallant jailer aforesaid went up on the top of Peale & Co.'s house, untied the cord, and let the flag fall, while Brewington, on top of his or his wife's house, pulled the flag in. The foregoing are the facts in a condensed form. The pretext was, and it was only a pretext, that the flag was once the private property of the late Colonel Metcalfe. Colonel Metcalfe was in the Union Army during the two first years of the war. He was the first commander of the Seventh Kentucky Cavalry, and died after the close of the war in Cincinnati.

Truly, yours,

To Hon. JNO. D. WHITE.

I suppress the name of the author of the communication for prudential reasons.

But while I admit, Mr. Speaker, that such outrages as I have referred to above have much to do with retarding our progress, which must come, if it comes at all, by encouraging capital and skilled labor to emigrate to our State and develop its mineral, timber, and agricultural resources, I desire to call attention to that most important of all the facts, so far as Kentucky is concerned, which bears on this question, namely, that we have been neglected by the General Government.

Now the case may be stated as follows: We are a poor people, yet possessed of such a variety of natural resources that we could be a rich and powerful people if we but had cheap transportation to the Atlantic seaboard.

Thirty-old years ago there was a survey made for a railroad from Charleston, South Carolina, through Kentucky, to Cincinnati, Ohio. Ever since then our people have lived in hope that some such enterprise would be successful. But the undertaking is a large one for a private corporation unless aided by the General Government.

I was highly gratified when, on 20th June last, Mr. HAYMOND, of Indiana, introduced a bill to charter "the United States Central Railway Company," to build a railroad from Chicago to the Atlantic seaboard.

It is the successful termination of such a great work as this that is to make Kentucky the Pennsylvania of the West. It is such works of internal improvement as this which will build up the South, by inducing immigration, skilled labor, and capital to till the soil, start manufacturing, and develop the various resources of the State.

I quote the second section of Mr. HAYMOND's bill:

SEC. 2. That the purpose and object of said company are hereby declared to be to locate, lay out, build, operate, own, enjoy, and maintain a railway, with one or more tracks of uniform gauge throughout, together with all the necessary appurtenances essential to a first-class passenger and freight railway, including a telegraph-line along the entire length of said road and its branches, and to extend and construct said railway from the city of Chicago, in the State of Illinois, upon the most direct and eligible route consistent with the purposes of commerce and with regard to the cost of construction, to the southeast Atlantic seaboard; and the route of said railway to be continuous from Chicago, through Cook County in Illinois, to the boundary-line of the State of Indiana at or near Dyer in Lake County, Indiana; thence to Indianapolis; thence to the Ohio River; thence, by a bridge, over and across said river; thence into and through the State of Kentucky to Lexington or Frankfort; thence to London in Kentucky, or some point within twenty-five miles of it; thence, by either or both of two routes, first, by a route from London, Kentucky, or said point near it, to Cumberland Gap; thence to Morristown in the State of Tennessee; thence to Asheville, North Carolina; thence to Spartanburg, South Carolina; thence to Charleston, with the privilege of a branch from some point on the said line between Spartanburg and Charleston to Port Royal, South Carolina, or Savannah, Georgia, or to both of them; or, at the option of the said company, by the other route, from London, Kentucky, or the aforesaid point near it, to Knoxville, Tennessee; thence to Augusta, Georgia; thence to Port Royal, with the privilege of branches from this line to Charleston and Savannah;



and the said company is hereby empowered and authorized to select and adopt its route or routes and construct its said railway on either or both of the before-mentioned routes from London in the State of Kentucky, or the point near London, to the southeast Atlantic seaboard, together with any or all their respective subsidiary branches, and to make such connections as the necessities of commerce may require at the harbors of Charleston, Port Royal, and Savannah; and the said company is further authorized and empowered to construct a branch from some point on the main line in Kentucky, or from Knoxville, Tennessee, to Saint Louis in the State of Missouri.

Not less in importance to my State would be the construction of a canal-route from the Kentucky River to the Atlantic seaboard. I introduced a bill to have such a route surveyed, believing that a survey of it would demonstrate its feasibility and importance and ultimately lead to its construction.

The bill is as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of War be, and he is hereby, authorized and instructed to have surveys and examinations made of the following-named rivers and creeks, to wit, the South Fork of Kentucky River, Richland Creek, Cumberland River, Yellow Creek, and Powell's, Tennessee, Hiwassee, and Savannah Rivers, for the purpose of ascertaining the feasibility of a canal and slack-water cheap-transportation route from the confluence of the Three Forks of the Kentucky River (through Cumberland Gap) to the sea at Savannah, Georgia; and that the sum of \$20,000 is hereby appropriated for that purpose.

This route was included in the list of surveys embraced in the river and harbor bill as reported by the Senate Committee. But the amount appropriated for surveys in the present bill and which we are asked to pass is so small that my canal-route like several other important surveys will, I fear, go by the board.

It may not be useless, however, for me to quote what Professor N. S. Shaler, of Harvard College, and State geologist for Kentucky, has said of this proposed water-route:

In considering the capacities of Kentucky for the production of wealth, too much importance cannot be attached to its natural water-ways. The great market for its heavy products will always be along the waters of the Mississippi River system; and it is our peculiar fortune that there are half a dozen rivers in the State which reach far up into the mineral districts, and only require the measure of improvement that can be given them at small cost to become the most perfect mineral roads known to art. It is a fact beyond contesting that water transportation is, and from its nature must always remain, the cheapest form of carriage for heavy products. Railways will serve for purposes of local supply of coal, iron, and timber within our borders, and along the future routes that lead toward the sea; but in the struggle for the markets of the Mississippi Valley, the great economic battle, in which the prize is imperial wealth, success will be won by the use of the cheapest transportation. A glance at the maps used by the survey to indicate the river basins, and the possible slack-water navigation of the State within the mineral districts, will make it plain that the Kentucky River penetrates a greater distance into the eastern coal and iron district than any other stream within the control of this Commonwealth. Its waters susceptible of improvement will give, when they are made navigable, a coal and iron frontage of not far from eight hundred miles. This region will be more accessible to the Ohio River, as far as the barrier of lockage is concerned, than Central New York is to its metropolis by the Erie Canal. It will discharge its products within ready reach of the two great markets of the Ohio, Louisville and Cincinnati, and on its banks, within one hundred miles of the outlet of the Kentucky, it will command the markets of nearly a million of people. On the Lower Ohio and Mississippi it will have great advantages over the Pittsburgh products, in that the treacherous navigation of the Upper Ohio has been escaped, and the water is more uniformly of a navigable stage throughout the year.

Many years ago the Commonwealth made provision for a survey of an extension of the proposed slack-water navigation of the Kentucky River to Cumberland Gap, by way of the South Fork of that river and Goose Creek to the headwaters of Richland Creek, a tributary of the Cumberland, and thence by canal to the main stream of the Cumberland at the point where Pineville now stands. Then it was proposed to resume the slack-water navigation, and continue it by way of Yellow Creek to Cumberland Gap. Then by a tunnel of less than 1,400 feet through rocks that are easily penetrated, it was proposed to pass into the valley of Eastern Tennessee. A great spring at the gap promised water enough for lockage to lead the navigation into the valley of the Powell River, whence by easy gradients it would be possible to carry it through the whole of the great river system of the Upper Tennessee. By way of the Hiwassee River, by a short canal, it would be possible to extend this form of navigation through to the Savannah River, and thence to the sea.

After a careful study of the route from the Kentucky River to Cumberland Gap, it is evident that the project is entirely feasible, and likely to have a very great importance in the development of the mineral resources of this State, as well as of East Tennessee; and furthermore, that the cost of this water-way is likely to be exceedingly small when compared with the practical results likely to be obtained from its workings.

Considering area, accessibility, neighborhood to suitable coal and other advantages, the "dye-stone" ore of the Cumberland Mountain district is probably the lowest field of ore in the Mississippi Valley, and I believe will, even transportation is furnished, produce cheaper iron than any other ore in America. The coals to work this ore must, to a great extent, come from Kentucky. The ores from the coal series of rocks within our State would furnish a valuable basis for admixture with the "dye-stone" ore. If we could have a system of transportation as cheap as water-ways furnish from the Cumberland Mountain towards the Ohio River, it would give us a close hold on this great mineral district. Owing to the relation of the materials, the ores will always seek the coal, the limestone, and the facilities furnished by water-powers. The district of the Upper Cumberland and the Kentucky River would, I believe, become the seats of production of the iron from the "dye-stone" ore, rather than the region of East Tennessee.

As soon as this water navigation is carried to Cumberland Ford, it will be found possible, at small expense, to extend the slack-water up the Upper Cumberland to Poor and Clear Forks, and to some thirty miles or more beyond Harlan Court-house. This would render a great valley rich in coal and timber quite accessible. But for some such system it is likely to remain for a great time without any transportation facilities.

With this canal system carried to Cumberland Gap, its extension via the Powell, Tennessee, Hiwassee, and Savannah to the sea would be assured in time. I believe this to be one of the few practicable water-ways from the central region of the Mississippi to the sea. It would have the advantage over present northern water-routes of at least four months more navigation in the year.

Professor Shaler, in his report to the Kentucky State Legislature, January, 1876, says:

Nature has bestowed with lavish hand her gifts upon our State. Rich in all the elements of material greatness, possessing two extensive coal fields, an abundance

of iron ore of great variety and excellent quality, contiguous to coal and timber, with five rivers (the Tradewater, Green, Kentucky, Licking, and Big Sandy) leading from our coal, iron, and timber lands, through our rich agricultural regions, and capable of being made navigable at all seasons, thus giving to our State a larger water frontage of mineral lands than is possessed by any other country, and affording to our mines, manufactories, and farming lands direct water communication with thirteen of the largest and wealthiest of our sister States.

A careful observer, after an extended tour of observation through our State, writes: "There is no reason why Kentucky should not already have received a mighty current of immigration, excepting the negligence of her people with regard to their own interests." To convince ourselves of the truth of this, let us make comparison of our development with States of like natural advantages that have profited by these advantages by affording transportation facilities for the development of their resources. For this reason take Pennsylvania and Ohio, those States being about the size of Kentucky with near the same area of coal-fields, the advantages being in favor of the latter, as follows:

Ohio having..... 10,000 square miles of coal-fields.  
Pennsylvania having..... 12,630 square miles of coal-fields.  
Kentucky having..... 13,771 square miles of coal-fields.

In iron ore I believe the present geological survey of the State will develop the fact that our State has the advantage over either of those States. Our hard-wood timber, suitable for manufacturing purposes, is more abundant, and in timber suitable for charcoal, convenient to iron-ores, we have a decided advantage. Our undeveloped water-power exceeds the water-power of those States. Yet with these natural advantages, what have we to show in actual production to compare with them?

The value of the products of mining industries in 1870 was:

In Kentucky..... \$509,245  
In Ohio..... 7,751,544  
In Pennsylvania..... 76,208,390

Our mineral districts are capable of supporting a denser population, yet there are less than five inhabitants to the square mile in the mining districts of Kentucky, while in Ohio there are from forty to seventy-five, and in Pennsylvania from forty-five to one hundred and twenty-five.

The distribution of wealth in the mining districts of the three States in 1870 was:

In Kentucky less than..... \$300 per capita.  
In Ohio from..... 750 to \$1,250 per capita.  
In Pennsylvania from..... 1,250 to 2,000 per capita.

Notwithstanding the superior quality and quantity of our hard-wood timber, the value of agricultural implements manufactured in 1870 was:

In Kentucky..... \$1,384,917  
In Pennsylvania..... 3,652,245  
In Ohio..... 11,907,366

I know from personal observation that we greatly surpass Ohio in timber suitable for hubs, spokes, felloes, &c.; yet Kentucky manufactured thirty-eight thousand two hundred and thirty-two dollars' worth, and Ohio manufactured one million seven hundred and twelve thousand eight hundred and eight dollars' worth.

Most of the raw cotton passes the entire length of our State on the way to Pennsylvania, yet the value of cotton goods manufactured in the two States was, in 1870:

In Kentucky..... \$498,960  
In Pennsylvania..... 17,490,080

Our water-power is greater, yet the following table is instructive:

	No. of wheels.	Horse-power.
Kentucky.....	459	7,649
Ohio.....	2,157	44,746
Pennsylvania.....	7,603	141,382

Notwithstanding the extent of our coal-fields and the facilities which a judicious expenditure would afford for getting our coal to market, and use it in profitable home-manufacturing industries, in 1872—

Kentucky mined..... Tons. 340,000  
Ohio mined..... 3,000,000  
Pennsylvania mined..... 29,442,000

The reason for these great differences is that Kentucky has practically ignored the existence of her great natural advantages and mineral wealth, and has as it were permitted a Chinese wall to hedge in the richest portion of her domain, while Ohio and Pennsylvania, by affording canal and railroad facilities to their mines and manufactories, have made rapid advancement in material wealth.

The salt wells on the Upper Kentucky River could supply the South and West with that indispensable article, yet not one bushel finds its way to the Ohio River. Should the canal connecting the Cumberland with the Kentucky be built, the tonnage of salt going South would be immense.

Below the forks of the Kentucky River there is a good hydraulic limestone of quite an extended area. This would not only cheapen the cost of the locks and dams on the river, but a large amount could be manufactured for market after the river is improved.

I have briefly as I could referred to some of the best known undeveloped resources of the Upper Kentucky and Upper Cumberland region. With development of these, many hidden sources of wealth will be brought to light. The agricultural capabilities of this region are much greater than they are supposed to be by persons unfamiliar with them. Now the farmer can raise nothing—owing to the impossibilities of transportation—which he can haul to market and sell at a profit. The few roads have gone to utter ruin since the war. I doubt if a loaded wagon could pass through many of these counties. The improvement of our natural water-ways will not only open up these counties, but will benefit the entire agricultural interests of our State. The agricultural prosperity of China, the Netherlands, and England is mainly due to the cheap water communication afforded by their canals.

As the Kentucky River is the largest river in the State, and the one the improvement of which will open up the largest undeveloped district, besides affording facilities for the interchange of products between twenty-four counties of the Commonwealth, I have been at some pains to collect facts respecting the resources of the country adjacent to it and the means by which it may be made navigable. From the imperfect records now extant of the old surveys made under the direction of the board of Internal Improvement and the recent researches of the State geological survey, I am enabled to collect the following facts:

From the mouth of the Kentucky River to the Three Forks the distance is 25½ miles, with a total ascent of 312 feet. There are completed five locks, affording navigation to the first 96 miles, leaving 16½ miles to be completed. From the Three Forks to mouth of Troublesome Creek is 53 miles, with a rise of 39 feet. The cost of slack-water navigation from the head of navigation at lock No. 5 to mouth of Troublesome Creek would be \$1,275,000, or about \$6,000 per mile. This would be at the rate of \$6,303 per mile to Three Forks and \$5,000 per mile from there to mouth

of Troublesome Creek. Contracts were made at this rate in 1870, and I am informed by the contractors that it could be done for less now.

The following table will show the feasibility of this plan and the advantages of this river:

Object.	Length, miles.	Lockage, feet.	Width of channel, feet.	Total cost.	Cost per mile.
Kentucky River to mouth of Troublesome Creek .....	31½	296	250	*\$1,275,000	\$5,902
Erie Canal .....	350	689	70	43,639,324	124,683
Delaware and Hudson Canal .....	104	1,073	48	6,333,216	60,290
Lehigh Canal .....	46	361	60	4,455,000	50,208
Ohio Canal .....	308	1,307	40	3,325,664	10,473

\* This does not include the work done on the lower part of the river

The improvement of the Kentucky River will cost less, the lockage is less, and the width is greatest. Some of these canals are troubled for supply of water at the summit in summer. The Kentucky River at lowest water in summer runs 20,000 cubic feet of water per minute below the forks and 8,000 cubic feet per minute above the forks, affording not only ample supply for navigation, but a large water power surplus for manufacturing purposes.

From the mouth of South Fork to the salt-works above Manchester it is 68½ miles, with a raise of 306 feet. The estimated cost of slack-water improvement to the salt-works—giving a channel from 150 to 300 feet wide—is \$411,000. At the lowest stage there are only 393 cubic feet per minute of water in South Fork, hardly enough for slack-water navigation; but a cheap system of reservoirs could be constructed so that an ample supply could be assured at all seasons. This brings us to another important subject; the feasibility and utility of a canal connecting the Cumberland and Kentucky Rivers.

I have not space to go into the details of the survey, but it was demonstrated that it could be easily and cheaply accomplished.

The Cumberland River at Barbourville is 121.8 feet higher than the waters of the Kentucky River at the Goose Creek salt-works. The summit divide between the head of Richland Creek (emptying at Barbourville) and Collins's Fork of Goose Creek is 78 feet higher than low water at Barbourville and less than a mile through. A dam 25 feet at Barbourville and a cut at the summit less than a mile long, 53 feet deep in the center and lessening at the ends, will let the waters of the Cumberland flow through, giving a channel six feet deep. This cut would be through shale, with no fixed rock. The amount of water taken from the Cumberland would be inconsiderable, as it would only flow through when boats were passing the locks, and the supply taken for the canal would be from the reserve held back by the dam at Barbourville and would not affect the river below that point. This dam at Barbourville would afford slack-water to Pineville, and from there, by way of Yellow Creek, slack-water could be carried to the foot of the Cumberland Mountains at Cumberland Gap. Mr. W. B. Page, of the United States Coast Survey, estimates the valley of Yellow Creek to be 1,100 feet above the sea, and as the mouth of the Kentucky River, at the Ohio, is 416 feet above the sea, the entire lockage from the mouth to Cumberland Gap would be 684 feet, or 5 feet less than the lockage on the Erie Canal.

The length of the canal from Barbourville to the Goose Creek salt-works would be 21½ miles.

At Cumberland Gap a tunnel about 800 yards long\* and a canal 6 miles long the Gap Creek Valley to Powell's River will connect the entire river system of Tennessee and give thence a direct outlet through Kentucky for their products.

This would also connect with the proposed river and canal improvement, proposed by the United States Government, connecting the Tennessee River with the streams flowing into the Atlantic Ocean.

This measure I believe well worthy the attention of the State, as it is capable of producing more important results to the States of the Ohio Valley, as well as to the cotton States west of the Mississippi, than any other plan of internal improvement within my knowledge.

As bearing on the importance of the proposed canal route referred to above, I shall quote a few extracts from the report of the engineer who superintended the survey made of the Cumberland River in 1871.

In Executive Document No. 60, Forty-first Congress, page 50, he says:

The Cumberland River rises on the west slope of the Cumberland Mountains and in the northeast extremity of Harlan County, Kentucky. Its course is an eccentric; instead of taking a northwest direction, which would have been perpendicular to the course of the highlands and in conformity to the natural dip of the upper strata, its general course, from its head to its mouth, is semicircular. Approaching Nashville from the northwest with three large convolutions, two-thirds of the length of which are parallel with the Cumberland highlands, it turns northwest at Nashville and finally terminates its course in the Ohio River, near the mouth of the equally eccentric Tennessee, in nearly the same latitude as its source. The Cumberland Mountains, which separate the water-shed of the Cumberland from the valley of Tennessee, have at this point an altitude of 2,600 feet above the sea. Cumberland Gap is about 1,600 feet. With a rapid descent the river reaches the first bench of the highlands, and after a precipitous fall it flows with a more equable current among the subcarboniferous conglomerates of the highland plateau. Cutting its pathway through solid rock, it reaches in Whitley County, about ten miles below Williamsburgh, the great falls of the Cumberland, where the entire river is precipitated over the conglomerate with a vertical fall of 63 feet. Here, in a deep and rocky basin at the foot of the falls, it stops to rest before pursuing its rugged course. Here, too, the surveys and plans of improvement usually begin. Although the river above the falls might be made navigable for barges for 50 miles by the removal of the dams which obstruct its course, the falls present an almost insuperable barrier to further progress. The produce of this section of country finds an outlet by the railroad from Mount Vernon to Louisville. This road, when completed, will cross the Cumberland at Williamsburgh, Kentucky, and will extend to Knoxville.

The timber consists of white oak, beech, black, red, or post oak, cedar, walnut, poplar, and hickory, pawpaw, and grape vines. The red lithification soils are nearly as productive as the river bottom. They are covered in the upper counties by black walnut, black oak, hickory, black gum, dogwood, and pawpaw.

Appreciating in some degree the necessity for improving so magnificent a river as the Upper Cumberland, before urging an appropriation to be made, I introduced the following bill:

\* A mistake; the length of the tunnel would be 1,400 feet.

C. J. N.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the sum of \$7,000, or so much thereof as may be necessary, be, and the same is hereby, appropriated, out of any moneys in the Treasury not otherwise appropriated, to be expended under the direction of the Secretary of War for the survey of the Cumberland River above the Cumberland Falls, in the State of Kentucky.

In order to show that I have not overestimated its importance and the urgent necessity in the case, I desire to insert as a part of my remarks a petition signed by hundreds of my best constituents:

To the honorable Senate and House of Representatives of the Congress of the United States:

The undersigned, citizens of ——— county, Kentucky, state that there are millions on millions of dollars' worth of bituminous and cannel coal, iron, and, perhaps, other valuable minerals undeveloped in the counties of Pulaski, Whitley, Laurel, Rock Castle, Jackson, Knox, Bell, and Harlan, in Kentucky; that the walnut, cherry, poplar, oak, and hickory, of the various kinds, except live-oak, in said counties, is as fine and of as good quality as the world ever saw.

That the Cincinnati Southern Railroad runs through the western portion of Pulaski and Whitley Counties; that there is no early prospect of a railroad through the remaining portion of said counties; that the only natural outlet is by way of Cumberland River and its tributaries; that there are natural obstructions in said streams which ought to be removed; that the citizens living along said streams are not able peculiarly to make the removal; that the constitution of Kentucky prohibits the Legislature of the State of Kentucky from making appropriations exceeding \$100 for any such purpose. They therefore ask an appropriation at your hands of \$——— for that purpose.

In the bill now under consideration there is only an appropriation for the Cumberland River below the falls.

But there is another river to which I desire to call the attention of the House, namely, the Big Sandy River.

In no sense can this river be called a "local concern." If we consider its principal tributary, the Louisa Fork, it cannot be said to be only of local importance, for it takes its rise in Virginia and gathers force enough to break through the Cumberland Mountains, and uniting with the Tug Fork to form Big Sandy River, it constitutes the dividing line between Kentucky and West Virginia. If the boulders and snags and leaning trees were removed, it would be navigable almost to the Virginia line.

If we take the Tug Fork, it cannot be said to be only of local importance, for it divides Kentucky and West Virginia. And surely no one will for a moment contend that the main Big Sandy below the confluence of the Tug and Louisa Forks is not a river of national importance. But it has been regarded as such by the conference committee, who come before this House and ask us to pass this bill as a fair and just measure. I desire to know on what principle the committee came to the conclusion that it was fair and just to appropriate \$20,000 for the improvement of the Upper Missouri River and could give nothing to the Big Sandy.

Where is the propriety of giving \$145,000 to Washington Territory and Oregon and nothing to the Big Sandy River? Yes, \$145,000 to 100,000 inhabitants in Oregon and Washington Territory, but nothing to 300,000 inhabitants in Virginia, West Virginia, and Kentucky. There are more people in my district alone than in the State of Oregon and Washington Territory both put together. There are more resources of wealth in my district alone than there are on the entire Pacific slope. The coal in my district is more valuable than all the gold of California; and the salt, the iron, and the inexhaustible supplies of the finest varieties of hard woods, together with its agricultural resources, make my district one of the richest in the whole country. What is true of my district is true in the main of the entire State of Kentucky. Yet, sir, with all this wealth we are poor, and why? Simply because Congress fritters away its appropriations on other and less deserving sections of the country.

I would like to know on what principle other than that of might, or a counting of noses, this conference committee has deemed it wise to give the lion's share of this \$5,000,000 to Michigan, Wisconsin, and Minnesota, New York, and the Virginias? Where is the necessity, where is the excuse for such partiality for so many objects of local importance only in these singularly fortunate and favored States?

I had the honor to introduce the following bill:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of War be, and is hereby, authorized and instructed to have surveys and examinations made of the Tug Fork of Big Sandy River from Warfield, in the State of Kentucky, to a point on said Tug Fork five miles above the "Roughs of Tug," the Tug Fork dividing in part the States of Kentucky and West Virginia; and that the sum of \$—— is hereby appropriated for that purpose.

I shall insert just here a petition signed by a large number of the best farmers who live along this stream in the States of Kentucky and Virginia:

The petition of citizens of Kentucky and West Virginia to the Congress of the United States, praying for an appropriation to the Tug Fork of Big Sandy River.

Whereas the Tug Fork of Big Sandy River is the dividing line between Kentucky and West Virginia, and neither of these States assumes the right to make the small but needful improvements by removing rocks, snags, leaning trees, and other natural obstructions; and whereas the workable coals are convenient to the said Tug River for transportation, being found in thick strata and boundless quantities as well as of finest qualities; and whereas the supply of timber of the most marketable kind, such as walnut, white oak, poplar, ash, locust, hickory, is without limit, the luxuriant growth rapidly replacing whatever may be cut off; and whereas there are natural obstructions in said Tug River which are a terror to shippers of coal and lumber on account of danger to life and property, and which should be removed by the General Government to the end that the people along said river may find an outlet for their products and the markets of the country receive the benefit of them; and whereas there has been a survey of said Tug River to Warfield, Kentucky, in which the water supply of said river is clearly shown and the fall per mile is declared to be slight: Therefore,



We, the citizens of West Virginia and Kentucky along the said river, do hereby humbly petition the Senate and House of Representatives of the United States of America in Congress assembled to appropriate the sum of \$40,000, to be appropriated to the removing of natural obstructions in the Tug Fork of Big Sandy River from Warfield, Kentucky, to the mouth of the Dry Fork of Tug River.

But, Mr. Speaker, to further satisfy the House that the Big Sandy River and its principal tributaries, the Louisa Fork and the Tug Fork, are deserving of great consideration, I shall read from the annual report of W. E. Merrill, made to the Chief of Engineers in 1875:

UNITED STATES ENGINEER OFFICE,  
Cincinnati, Ohio, February 22, 1875.

COLONEL: I have the honor to submit the following report on the survey of the Big Sandy River. This stream is for convenience divided into three parts:

- First. The Big Sandy River from Catlettsburgh to Louisa, Kentucky.
- Second. The Louisa Fork from Louisa to Picketon, Kentucky.
- Third. The Tug Fork from Louisa to Warfield, Kentucky.

#### BIG SANDY RIVER.

The Big Sandy River is formed by the confluence of the Louisa and the Tug Forks, twenty-six miles from its mouth, opposite the town of Louisa, Lawrence County, Kentucky, and it is the dividing line between the States of Kentucky and West Virginia.

#### LOUISA FORK.

The Louisa Fork is the principal branch of the Big Sandy River, and it rises beyond the Cumberland Mountains in the table-lands of the southwestern part of Virginia, at an elevation of fifteen hundred feet above tide-water. It flows, like the main river, in a north westerly direction through a narrow valley. The fountain-head, being so far south, gives the river an advantage over northern streams in having but little ice, a feature of considerable importance to those interested in its navigation. In ascending the river the hills increase in height. In some places the banks are composed of rock; in others of sand and clay. Where they are of the latter material, the slopes are uniform. The bottom-lands, like those of the main river, are above ordinary high-water mark. There are many large boulders in the river which have rolled from the bordering hills, and are obstructions which ought to be removed. The peculiar feature of this fork is the great number of rock-bars, which are doubtless due to the fact that its steep slope causes a velocity in the current so great as to prevent the sand from lodging. These rock-bars have only a few inches of water on them during low stages, while at the head and foot are pools varying in depth from six to twelve feet. The average fall from Picketon to Louisa, Kentucky is 1.49 feet per mile, and the average width is 300 feet. The number of inclining trees is 7,656, and the number of snags 3,397.

#### TUG FORK.

The Tug Fork rises in the mountains of McDowell County, West Virginia, and flows in a northwesterly direction, forming, with the Louisa Fork, the Big Sandy River. It has the same general features as the Louisa Fork. The hills come nearer the river, and consequently the bottom-lands are not so wide. This fork, as far up as the Falls of Tug, is shallow, crooked, and narrow; so shallow during low water as to render navigation impossible; but above the falls its character changes, and it becomes a succession of pools separated by rock-bars. The hills are very steep, exposing the rocky materials of which they are mostly composed. The banks are alternately of rock and of sand, but, when formed of the latter material, they have been but slightly cut away by the river on account of the protection afforded by trees and plants. The average width of this fork is 180 feet, and the average fall from Louisa to Warfield, Kentucky, is 1.75 feet per mile. The number of inclining trees is 2,822 and the number of snags is 801.

#### GENERAL REMARKS.

All these streams are fed almost entirely by mountain springs, which, when the branches near the mouth are dried up, continue their usual supply, and thus become the main sustenance of the river during low water. The Big Sandy River is the only outlet for a very productive country, rich in both agricultural and mineral wealth, yet it presents serious obstacles to the transportation of these productions to market. It is un navigable in low water, and even in high water it is dangerous to navigation on account of its velocity and its sharp bends. On the Tug Fork these difficulties are increased by the number of leaning trees which project into the narrow channel.

The mines that were formerly worked on these forks were located at points where the river is shallow, so that boats could not be loaded during low water and held for a rise. The want of proper landing-places and the disasters and resulting loss incurred in trying to get coal to market have compelled the abandonment of work on all the mines, except those that supply the limited local demand.

The following statistics of the Big Sandy Valley have been prepared by Judge M. J. Ferguson, of Louisa, and will give some idea of the exports of this section:

"This table, compiled for the year ending July 1, 1870, embraces only that portion of the valley which now finds its only outlet by the river to the different markets.

#### "Articles exported.

Articles exported.	Value.
Saw-logs, sawed lumber, and fencing-posts	\$530,000
Staves and spoke-timber	80,000
Tan-bark	75,000
Keg-timber	8,000
Hoop-poles	25,000
Barges and small craft	45,000
Fruit	40,000
Feathers, bees-wax, ginseng, tallow, hides, poultry, eggs, butter, flax-seed, rags, and produce of country stores	165,000
Wheat and corn	50,000
Potatoes	9,000
Live stock	175,000
	1,219,000

"This estimate was made from memoranda collected from merchants, timber-dealers, and common carriers, and has been recently revised upon the following basis of values:

"The timber is valued at 12½ cents per cubic foot, and a feet of saw-logs is estimated at an average value of \$3.50 in the Cincinnati market, the tan-bark at \$15 per cord, and the staves at \$24 per thousand.

"Barges and other craft are valued at \$3 per linear foot. The item \$165,000 from country stores is ascertained by counting the number at 110 and their average export at \$1.50. This is believed to be much under the true value. Previous to the year 1868, the corn and wheat produced were used almost entirely for home consumption, but since that time the export of these grains has steadily increased, until now the gross export would probably double the estimate in the above table.

"There has been much difficulty in estimating the value of live stock, and it is believed that this item is very low. The general exports of this valley have, since the year 1866, increased more than 25 per cent, annually, and some of the smaller products at a much greater rate.

"For example, in one county situated near the mouth of the river, the sale of eggs in the year 1866 did not exceed \$1,000, while in the year 1870 it amounted to

about \$12,000. Any general improvement of the Big Sandy River would secure for it the exports that now go overland."

Judge Ferguson assured me that the exports for the year ending September 1, 1874, would not materially differ from those given in the above table, and that, although there would be changes in detail, the total would remain about the same. It is estimated that the steamboats and the push-boats carry 30,000 people and about 30,000 tons of freight annually up and down this river during the season of navigation. The census gives 80,000 as the population of those counties that use this valley as an outlet to market.

The steamboat Fleetwing, 117 feet in length and drawing 30 inches, navigates this river as far as Louisa during nine months, and as far as Picketon during five months in each year. The back-water of the Ohio River gives sufficient depth of water for navigation to some distance above Louisa.

The river was gauged during this survey with the following results: On the Louisa Fork, at low water, the discharge was found to be as follows: At Beck's Shoal, 32.6 cubic feet per second; near Big Shoal Branch, 60.07 cubic feet per second. On the Tug Fork, when the river was nearly at low water, but rising, the discharge near Lick Shoal was 138 cubic feet per second. The discharge of the Big Sandy River at its mouth was found to be 733.3 cubic feet per second, the river being near low water but rising. It was with the greatest difficulty that our boat, drawing only 5 inches, could get over the shoals and bars when descending the river between Picketon and Louisa. The Big Sandy and its branches drain an area of 4,600 square miles, equaling in extent about one-twelfth of the State of Kentucky. This river and its forks rise during certain seasons very suddenly, often to the height of 50 feet, and fall nearly as quickly. Each creek has a valley and bottom-lands, similar to those of the stream into which it empties, but correspondingly less in extent.

The hills are covered with dense forests of valuable timber, including walnut, ash, maple, poplar, oak, white walnut, chestnut, and yellow pine, which furnish the principal supply of wood to the steamboat-builders and furniture-makers of Cincinnati. This timber, the only considerable export, goes out at flood-time and glutts its own market, thereby barely paying the labor of preparing and transporting it. The want of regular communication with a market has prevented the investment of manufacturing capital in this valley; and as the present condition of the river has made the money already invested in coal lands along its banks unproductive, there is no demand for labor except in the lumber trade.

Professor D. D. Owen, in his report on the geology of the State of Kentucky, states that the best exposure he has seen of the coal measures of the Big Sandy Valley is in the vicinity of Prestonsburgh. In Lawrence County, south of Louisa, on the Big Sandy River, he found six or seven beds of coal measuring in the ascending order from two to four feet in thickness, and above these a bed of cannel coal. In Johnson, Floyd, and Pike Counties he found numerous beds of coal, the main vein consisting of three strata of the united thickness of seven and a half to eight feet. The analysis of the coal of this valley gives from 30 to 35 per cent. of volatile matter and from 64 to 65 per cent. of carbon. The percentage of ashes is very small. The greater the amount of carbon and the smaller the quantity of ashes, the better the coal for manufacturing purposes.

The report of the commissioner of emigration of West Virginia states that beds of hematites, oxides, and peroxides of iron are found in the great coal regions of the Kanawha and Big Sandy Valleys. In many places iron ore alternates with coal and lime.

I am enabled by the kindness of Professor N. S. Shaler, superintendent of the geological survey of the State of Kentucky, to present his personal observations of the geological features of this valley in the following report:

NEWPORT, KENTUCKY, January 1, 1875.

MR. DEAR SIR: It gives me great pleasure to answer your questions concerning the mineral resources of the Big Sandy or Chatterawha River. Unfortunately the geological survey has not yet been carried far enough in that valley to enable me to speak in much detail concerning its resources; but enough is determined to warrant me in the general statements contained in the following brief report. These statements are based on my personal observations so far as the valley of the principal stream is concerned; for the Tug Fork branch I have the statements of my esteemed associate, Mr. A. R. Crandall, principal geological assistant of the Kentucky survey.

Very sincerely yours,

N. S. SHALER,

Superintendent of the Kentucky Survey.

J. E. BELL, Civil Engineer.

#### GEOLOGICAL RESOURCES OF THE BIG SANDY VALLEY.

##### Mineral resources.

Every part of this valley which has been explored by the Kentucky survey lies in the rocks of the Carboniferous age, or at least above the level of the base of the subcarboniferous limestone. Its mineral stores are therefore limited to the materials found within these geological bounds. Coal, iron, and salt, together with building-stone and fire-clay, are the products that may be sought here. The coal-beds of this valley are doubtless, in part, the western extension of the beds of the Kanawha Valley, and therefore in a measure to be judged by those well-known sources of coal.

I have only to say in conclusion, sir, that we were induced to hurry this bill through the House in the first instance, so that it might reach the Senate and be acted on as soon as possible and then all differences be reconciled, and then it would become a law in time for the letting of contracts and doing much work this fall. But, Mr. Speaker, the bill made haste slowly in the Senate, till now it is altogether too late in the season to attempt to carry out the provisions of the bill this year. In addition to that it is only a job fixed up to suit the majority of those interested in the bill. It is not fair nor just, nor has it received that careful consideration by this House which it should receive.

I submit whether it would not be better and more satisfactory to all to let this bill lie over till next session, when we can give it that attention which a bill of its importance, appropriating \$5,000,000 as it does, must necessarily demand.

I hope that such will be the action of the House at this time, if we desire to prove to the country that this democratic House not only preaches but practices reform.

#### CIVIL-SERVICE REFORM.

The plan of making appropriations for rivers and harbors and other public works as adopted by this House is too much like the practical workings of the civil-service reform doctrine as put into operation by the democracy wherever they have the control of official patronage. No one has been able to discover any evidence of reform in the civil service as practiced by this House.

You elected a salary-grabber for your Clerk; and for your Doorkeeper, the author of the celebrated Fitzhugh letter. Both these gentlemen at the outset showed their faith in civil-service reform by turning out competent wounded and crippled Union soldiers in order to give places to incompetent partisan friends and relatives. To show how far they would carry the principles of civil-service reform, the Doorkeeper appointed his son to an eighteen-hundred-dollar position and the Clerk appointed his uncle to a thirty-six-hundred-dollar clerkship. Now this is partisan deformity, not practical reform. I would like for some gentleman to name a single appointment under this House that has been made on account of the excellent qualifications and high moral character of the appointees. Do you call it reform to turn sixty-seven competent Union soldiers out of office for no other cause than that you wish to give their places to so many partisan friends? I am decidedly in favor of internal improvements, and I believe in practical economy and reform, especially reform in the civil service. Let us see if you do.

I take the following from the CONGRESSIONAL RECORD for April 1, 1876:

CHIEF CLERK OF THE HOUSE.

THE SPEAKER *pro tempore*. At the request of the Speaker, the Chair lays before the House a communication which the Clerk will read.

The Clerk read as follows:

CLERK'S OFFICE, HOUSE OF REPRESENTATIVES,  
Washington, D. C., March 31, 1876.

SIR: I notice in the RECORD of day before yesterday, the 29th instant, the following remarks purporting to have been made by Hon. J. D. WHITE, of Kentucky, in reference to myself:

"Knowing as I did of a charge of corruption made against Hon. Green Adams, now Chief Clerk of this House, while he was Sixth Auditor of the Treasury, for appropriating several thousands of dollars to his own use which should have been paid into the Treasury, since the money was the proceeds of the sales of waste paper which belonged to the Government—I say that, being cognizant of these facts, it struck me as a little bit amusing that this man Green Adams should be the officer of this pure democratic House to carry articles of impeachment from here over to the Senate. He was a republican then, but you took him from us and reward him with a high office."

The facts in regard to the matter thus alluded to are as follows:

In the year 1864 I resigned the office of Sixth Auditor of the Treasury for the purpose of accepting the office of Treasury agent for the purchase of products of insurrectionary States, at Nashville, Tennessee, and hurriedly left for the performance of the duties of the new office to which I had been appointed, without making or pretending to make any final settlement of my accounts with my successor, who had not then been appointed, and who I had good reason to believe would not be appointed for some time thereafter; leaving, however, on file in the Auditor's Office, over my own signature, receipts for all moneys received by me on account of waste-paper or otherwise.

After the lapse of some time an Auditor was appointed, who found on file my receipts and reported to the then Secretary of the Treasury, Mr. Fessenden, that there was a balance due from me to the Office, and thereupon, my attention being called to the fact, the amount found due from me to the Office was promptly paid over to my successor and his receipt taken therefor.

From that time to this I am not aware that any one has ever seriously charged me with anything improper in connection with this matter; and, whatever may be the suspicions of others, it is certain that Mr. Fessenden, who was then Secretary of the Treasury and was cognizant of all the facts, never charged or even suspected me of any impropriety or attempted impropriety in this connection, but, on the contrary, manifested his entire confidence in my integrity and uprightness of character by retaining me in the responsible office of purchasing agent and placing to my credit large sums of money to be used by me for the Government.

I have thought proper to state this much in explanation of the matter thus alluded to, and respectfully request in justice to myself that this communication be laid before the House of Representatives.

I am not conscious of ever having appropriated to my own use any money belonging to the Government, and will esteem it a favor to have thoroughly investigated any charge of this kind which any one may see proper to make against me.

Very respectfully,

GREEN ADAMS.

Hon. M. C. KERR,

Speaker House of Representatives.

MR. BOONE. I move that the communication just read be referred to the Committee on Expenditures in the Treasury Department, with instructions to investigate and report whether or not the charges made by the gentleman from Kentucky [Mr. WHITE] are true or false.

MR. WHITE. I second that motion.

The motion was agreed to.

The New York Times of August 1 speaks of Hon. Green Adams as follows:

The successor of Clinton Lloyd as Chief Clerk in the office of the Clerk of the House is Green Adams, the uncle of the Clerk, Adams—a case of nepotism reversed. Green Adams was formerly Auditor of the Treasury for the Post-Office Department. While in that position the chief clerk, Sharretts, sold waste paper to the value of \$5,392.76, and paid to Green Adams out of the amount, \$2,517.52. Neither Sharretts nor Adams ever accounted for the money till both were out of office. When the facts were partially discovered through the man who bought the paper, Sharretts refunded \$2,345.24, and turned over Green Adams's receipts for the remainder to the amount stated above. Adams makes a long statement, which is in effect that he was informed by Sharretts that this money had been kept by the Auditors because there was to be paid into which it could be received in the Treasury Department, and Sharretts said, "If you pay it to any person, pay it to your successor in office." But Sharretts had never heard of this money being paid over except by one Auditor. Adams had intended to pay the money over to his successor, but went home before his successor was appointed. These facts appear in the public records, and show that the present Chief Clerk is either not a very honest man or not a very competent officer. Adams is also an ex-member of the House.

The Interior Journal, a democratic paper published at Stanford, Kentucky, referred to his appointment in the following sarcastic manner:

Mr. George M. Adams has appointed his uncle, Green Adams, of Lexington, his Chief Clerk. Kinsfolk ought to stand back. This act of Mr. Adams looks very much like Grantism.

The ex-circuit-court judge, Ex-Congressman, and Ex-Sixth Auditor of the Treasury, and the present Chief Clerk of this House, Hon.

Green Adams, is so well known in Kentucky that the following copies of official records on file in the Treasury Department will not surprise his acquaintances there so much as the majority of this House, who are responsible for his appointment. I shall incorporate them as a part of my remarks.

OFFICE OF THE AUDITOR OF THE TREASURY  
FOR THE POST-OFFICE DEPARTMENT,  
December 7, 1864.

SIR: I have the honor to submit the following statement of the facts in regard to the misappropriation of funds belonging to the Post-Office Department by John F. Sharretts, while acting as chief clerk of this Bureau.

Early in December, 1864, George I. Hill, jr., was introduced to me by Mr. Zevely, Third Assistant Postmaster-General, who stated that Mr. Hill had been purchasing the waste paper from the Department for several years, was a reliable man, and desired to purchase the accumulated quarterly returns of postmasters for waste paper.

By the act of May 24, 1858, the Postmaster-General is authorized to dispose of such accumulated returns after they had been preserved two years, paying for the labor of separating them from the accounts-current and putting them in bags. By an order of the Postmaster-General dated May 27, 1858, a copy of which is hereto appended, this business was delegated to the Auditor. Mr. Hill stated that he had been in the habit of buying this waste paper from Mr. Sharretts, giving the highest market price therefor.

Inquiry being made as to where the money received from this source should be paid, it was ascertained that Mr. Sharretts has never paid over any such money to any officer either of the Treasury or Post-Office Department. On an interview with Mr. Sharretts he admitted that he had never so paid it over, but would do so as soon as he could notify Judge Adams to be ready to pay over the amount in his hands and when it was decided where the money should be deposited. It does not appear that he ever made any inquiries on the subject or ever made any endeavor to ascertain the proper fund to which to appropriate the money. He left no record whatever of the transactions, and although he served under me as chief clerk for several days after I first entered upon the duties of this office, he gave me no information, either written or verbal, that he had made such sales or received such money. He left his successor, Mr. McGrew, my present chief clerk, in equal ignorance of any sales of paper. He does not pretend that he had any right to it himself. All the waste paper of the above description sold by Mr. Sharretts was bought by two persons, Mr. Hill, above mentioned, and Mr. Denham. The receipts for the money paid were given by Mr. Sharretts. Some are signed "John F. Sharretts, chief clerk," and some merely "John F. Sharretts." The dates of delivery and amounts of property sold and of money received are as follows:

Date.	Pounds.	Price per Pound.	Amount.
		Cents.	
September 11, 1861.....	8,271	2½	\$175 76
September 18, 1861.....	9,179	2½	195 05
April 11, 1862.....	19,128	2½	406 47
August 28, 1862.....	20,572	2½	437 15
December 23, 1862.....	11,840	50	666 00
May 21, 1863.....	10,821	5	540 05
August 12, 1863.....	11,325	4	453 00
November 11, 1863.....	10,254	6	645 44
March 9, 1864.....	10,191	62	687 88
May 31, 1864.....	9,661	64	626 96
August 26, 1864.....	9,250	6	550 00
Total.....			5,392 76

Out of this amount the sum of \$530 was paid by Sharretts to Richard White, laborer, for his labor in separating the accounts-current from the quarterly returns and bagging the latter. Mr. White alleges that whereas before Mr. Sharretts became chief clerk he received \$40 per month for this service he only received from Mr. Sharretts \$530 for his labor during three years; the latter alleging that in the present disordered state of the national finances he was anxious to save as much as possible to the Government, and that the Secretary of the Treasury had complained to him (Sharretts) that he was paying too much for the stripping and other work done in preparing the paper for sale.

Since the passage of the law authorizing the sale of transcripts the proceeds have never been deposited in the Treasury by any person whatever.

The law of May 24, 1858, makes it the duty of the Postmaster-General to sell the property here referred to. The law of July 2, 1856, section 1, provides that the "revenues arising in the Post-Office Department and all debts due to the same shall when collected be paid under the direction of the Postmaster-General into the Treasury of the United States."

On the 7th of December, Mr. Sharretts called at my office and stated that being out of office he desired to pay over to the Government some funds remaining in his hands. He then paid me the sum of \$2,345.24, which I have deposited in the Treasury. He also gave me receipts of Green Adams for various sums, amounting in all to \$2,517.52, which he said was the amount appropriated by Adams out of the proceeds of the sale of waste paper.

The receipts are now in my possession.

Section 4 of the act of August 31, 1852, (10 Statutes at Large, 140,) is as follows. I underscore the words specially applicable to this case:

"And be it further enacted, That if any person shall steal, purloin, or embezzle any mail-bags in use by or belonging to the Post-Office Department of the United States, or any other property in use by or belonging to the said Post-Office Department, or shall for any lucre, gain, or convenience appropriate any such property to his own use or any other than its proper use, or for any lucre or gain shall convey away any such property to the hindrance or detriment of the public service of the United States, the person so offending, his counselors, aiders, and abettors, (knowing of and privy to any offense aforesaid,) shall on conviction thereof, if the value of such property shall exceed \$25, be deemed guilty of felony, and shall be imprisoned for a period not exceeding three years; or, if the value of such property shall be less than \$25, shall be imprisoned not more than one year, or be fined not less than \$10 nor more than \$400 for every such offense."

It seems strange that when the duty of public officers is so obvious and so clearly defined by the law, none of those who have heretofore had charge of the sale of waste paper should have been able to perceive it. Until recently waste paper has had but little value, and perhaps the sales barely paid for the labor. It is understood in the office that Mr. Tate, the predecessor of Mr. Adams, stated that he had in his hands some \$800 belonging to the office, and that he would make a settlement on receiving the last payment of his salary. He went away, intending to return, but was prevented by the military operations in Virginia.

The money arising from the sale of waste paper is clearly a revenue of the Post-



Office Department. The law having appropriated such moneys, it could make no difference what clerk or what Bureau had charge of the task of collecting them. They must be paid as designated by the act. There is no authority conferred either upon the Auditor, the chief clerk, or the messenger to appropriate the money to his own use, and thus create a claim in favor of the United States against a person who is not by law intrusted with the keeping of moneys, who gives no bonds for the safe-keeping of any property, and who may be pecuniarily irresponsible.

If section 16 of the act of August 6, 1846, (9 Statutes at Large, 63,) "to provide for the better organization of the Treasury and for the collection, safe-keeping, transfer, and disbursement of the public revenue," is applicable to this case, which is doubtful, the money misappropriated can be recovered in the form of a penalty. Should the parties be indicted under the act of 1852, above quoted, a civil suit would be necessary in order to recover the money should they refuse to refund.

I have had no communication with Mr. Adams on the subject and have received nothing from him.

I have the honor to be, very respectfully,

Hon. Wm. P. Fessenden,  
Secretary of the Treasury.

Auditor.

POST-OFFICE DEPARTMENT, May 27, 1868.

SIR: Whereas by the provisions of the eighth section of the act approved 2d July, 1836, (U. S. L., 5th, page 81,) all accounts arising in the Post-Office Department, or relative thereto, are to be received by the Auditor of the Treasury for the Post-Office Department, to be audited and settled, and to be kept and preserved by him after settlement, I have to request that, pursuant to the provisions of the act, No. 31, approved May 24, 1858, copied on preceding page, you proceed to dispose of the quarterly returns of mails sent and received, and use such portions of the proceeds thereof as may be necessary to defray the cost of separating and disposing of the same and re-arranging and filing the accounts-current and vouchers.

AARON V. BROWN,  
Postmaster-General

THOMAS M. TATE,  
Auditor for the Post-Office Department.

OFFICE OF THE AUDITOR OF THE TREASURY  
FOR THE POST-OFFICE DEPARTMENT.  
December 9, 1864.

SIR: In my report of the 7th instant, on the misappropriation of certain funds heretofore derived from the sale of waste paper by John F. Sharretts and Green Adams, I stated that no money derived from such sales had ever been paid into the Treasury of the United States by any person whatever. I have the honor to submit the following statement of the amount, so far as it can be ascertained, of such sales since the passage of the law of May 24, 1858, by which act they were authorized. This amount is obtained from receipts which were given to George J. Hill, who had bought all the waste paper of the Department.

In three cases the amounts are estimated:

Date.	Receipts signed by—	Amount.
July 2, 1859	H. St. Geo. Offutt	\$317 94
December 14, 1858	do	476 00
February 22, 1859	do	317 94
April 2, 1859	do	294 05
June 11, 1859	do	229 67
September 9, 1859	do	254 25
January 31, 1860	do	253 29
April, 1860	No receipt. Estimated.	224 00
June 26, 1860	H. St. Geo. Offutt	315 24
September, 1860	No receipt. Estimated.	300 00
April 6, 1861	Paid Auditor Tate.	74 14
Estimated deficit from September 1, 1860, to June, 1861		750 00
Total		3,916 52
Paid Richard White, laborer, during the above term for labor in preparing the paper for sale		1,300 00
Net profit to the Department		2,566 52

Prior to 1858 there is no record of any sales whatever.  
I am, sir, very respectfully,

Hon. Wm. P. Fessenden,  
Secretary of the Treasury.

E. SELLS, Auditor.

WASHINGTON CITY, December 15, 1864.

SIR: I have carefully examined the report of the Auditor of the Treasury for the Post-Office Department, under date of the 7th instant, in relation to moneys arising from the sale of waste paper in said Office during my administration thereof, which report you did me the favor to hand to me on yesterday.

Respecting the acts of Congress cited in said report, and the conclusions drawn therefrom, I do not deem it necessary to say anything. Nor have I anything to say with regard to the statement of facts contained in said report, except so far as relates to my own conduct touching the moneys aforesaid. Involving, as said report does, my character both as a public officer and an honest man, I gladly embrace the opportunity you have kindly afforded me to submit the following brief statement of the facts of the case, so far as I am connected with the transaction in question.

When I entered upon the duties of the office of Auditor for the Post-Office Department in April, 1861, I was not aware that the Office was charged with the business of selling waste paper, and remained in ignorance of that fact until in September of that year, when John F. Sharretts, the chief clerk, handed me a sum of money, stating that it was the proceeds of the sale of certain waste paper, and asked me to sign a receipt therefor. I asked him why I should take the money, and what disposition I should make of the same. He replied, that I being the head of the Bureau, was the proper person to have the custody of the money. I asked him, why not deposit it in the Treasury at once? He responded, that he had been to the Treasury and had inquired what should be done with the money, whether there was any head under or any fund to the credit of which it could be placed in the Treasury, and that he had been informed there was no such head or fund.

He also stated that it had been the uniform custom of the Auditors to retain the funds, and that my immediate predecessor, Dr. Tate, it was reported, had some seven or eight hundred dollars of the fund in his hands.

I then received and receipted for the money, stating at the same time that whatever might have been the custom, I could not appropriate to my own use any

funds in the Office except my salary. Subsequently, the chief clerk paid over to me from time to time, and took vouchers for the several sums, I suppose, contained in my receipts filed with the Auditor; although I was not aware that I had received exceeding \$1,500 from him. The chief clerk and myself had repeated conversations as to what disposition I should make of the money; and his uniform advice was that if I paid it to any person it should be to my successor in office, as he had never heard of any portion of the fund having been paid over except by one Auditor, and that he had paid to his successor.

I all the while entertained the belief that I was receiving the whole proceeds of the sales of the waste paper, and was much surprised to learn that the chief clerk had retained any portion thereof, as he represented to me that the several sums paid over constituted the entire fund.

The receipts I gave him I intended should be filed in the Office as vouchers to show the amount in my hands for which I was responsible. I regarded it as proper that my receipts should show that the money had been paid to me by the chief clerk, inasmuch as he had received in his own name, as he informed me, to the purchaser of the paper; but I did not suppose that he would withdraw them from the files of the Office, where they properly belonged.

I intended in good faith to pay over to my successor, when appointed, every dollar of the money placed in my hands by the chief clerk. I left, however, for Nashville, Tennessee, before a successor was appointed. And when the chief clerk, Mr. Sharretts, represented to my successor (as appears in that officer's report) that I had appropriated a portion of the fund, he stated what he well knew to be wholly untrue. My oft-repeated declarations to him that I would pay over the money to my successor could not have escaped from his recollection.

Trusting that upon the foregoing statement of the facts of the case you will at least acquit me of any intentional wrong.

I have the honor to be, very respectfully, your obedient servant.

GREEN ADAMS.

Hon. WILLIAM P. FESSENDEN,  
Secretary of the Treasury.

It appears from these official statements that Green Adams had received this sum by piece-meal. A portion of the \$2,517.52 he received as early as September 11, 1861, and a portion he received as late as August 26, 1864. But the larger portion of the sum which he appropriated was received during the years 1862 and 1863. It also appears that he did not make a fair division with his then chief clerk, John F. Sharretts; for while Adams received \$2,517.52, Sharretts got but \$2,345.24; and as Adams took advantage of Sharretts, so Sharretts took advantage of Richard White, laborer, who received but \$530 "for his labor in separating the accounts-current from the quarterly returns and bagging the latter." Sharretts's excuse to R. White for this small allowance for his services was that on account of the present "disordered state of the national finances" he could not pay much "for the strippings."

And Green Adams with this waste-paper record, to say nothing of his notoriety as a political trickster and corruptionist, is a specimen of your civil-service reform. If he kept this money with a view to defrauding the Government, then he was a thief. If he kept it through ignorance, then he was not capable of understanding the law. In either case he is not such an appointee as to reflect honor on this House.

On the 24th of March, 1876, in a five-minutes speech, I used the following language concerning the Chief Clerk:

Mr. Chairman, I also am in favor of retrenchment and reform; but it is not for gentlemen on the other side of the House to preach reform to us on this side of the House. I have never said anything in regard to that Belknap affair, but it has always occurred to me since that matter came before the House that it was very appropriate that the Chief Clerk of this House, Hon. Green Adams, against whom the suspicion of having pocketed some of the people's money exists, should carry the articles of impeachment over to the other wing of this Capitol against a man charged with stealing nothing from the United States Government, but from private individuals.

When I made those remarks I knew that the papers which have just been read were on file in the Treasury Department, and I think that they warranted the statement that I made against the integrity and honesty of the Chief Clerk of this House.

It may well be asked what claim has he for his position except that he is uncle to Hon. G. M. Adams, Clerk of the House, and that his father-in-law is a surety on the Clerk's bond.

ANOTHER REFORMER.

C. H. Smith, the late journal clerk, was caught in "a grave error of judgment, which tends to create a conflict in his mind between duty and interest." He resigned in disgrace.

ELLISON, THE ENGINEER OF THE HOUSE.

George C. Ellison, the engineer of the House, was appointed under such peculiar circumstances that it is sheer nonsense to talk of civil-service reform in connection with the farcical competitive examination in which he was the lucky candidate. Facts are the strongest arguments. Count up the large number of absentees which were caused by the bad ventilation of this Hall during the last winter and spring. The ill-health of too many of our members and the well-known fact that the ventilation was miserably bad showed that Ellison was incompetent at the time of his appointment.

A further proof of his incompetency is to be found in the fact that the author of the following letter to Colonel Alexander, editor of the Washington Gazette, was soon after its publication appointed assistant engineer:

67 MAIDEN LANE, NEW YORK, March 21, 1876.

DEAR COLONEL: I herewith send you a slip from yesterday's times. I seen the proceedings in the sun of last week the same as you sent me, and I sent a letter to Judge HOLMAN telling him the fact was in the Engineer, and I see the committee have my exact words; and I sent him another letter yesterday which I think will have some effect, and I send you the original printed by Doctor Thiers, who states that Ellison knows he printed it, and he don't care who knows it, as he will tell anybody he is. I went and seen some of the witnesses. Mr. Delano says he was discharged for stealing pipes and other Government stores, but his record is in the Navy Department. He lives at 115 St. Marks ave., Brooklyn, and is well known

in the Navy-yard. He is on the retired list. Mr. Cosgrove, the Master Plumber of the yard in the Department of Construction, was Ellison's Quartermaster, and he says so. He is Master Plumber there now. Mr. Jas. Hunter, who is Plumber in yards and Docks, knows all the circumstances of what is in this statement. It was from him I got my information, and if any of them was put on the witness stand they would tell a great deal more than they tell me; in fact, everybody who was in the yard at the time knows of it; it was no secret. As regards to the other matters in the statement, I don't think amounts to much, as some of the parties are dead; but the Dr. says he can prove the most of it. I see him almost daily. He is the man that was poisoned by Ellison, and has the bottle yet. He is well known in Washington by W. W. Woods (Chief Engineer Navy Department,) Mr. English, who use to be round your office, and Mr. Geer, and others. I want you to take good care of this, so it can be returned to me. The Sunday Mercury was burned out and lost its files, and I hunted all over to try and find one but failed. Mr. Collwell, the owner, has promised to see if he can't find it for me. If he does I will send it to you. I think you could get his record in the Navy Department, as you have the dates. I think if you will see Major Churn, the Herald, and tell him it's for me he can get you an order from some of the Committees on Naval Affairs in the Senate, as I don't want to touch the House. I don't want to be known in this matter of Ellison's removal. Now you can act with Mr. Lockwood in this matter, as I think it will take very little to finish Ellison, and let me know how you make out in this; and if you can get my letters before the committee I think they will recommend me. Write and let me know how things are and who is assistant as soon as possible.

Yours, &c.,

JAMES MCGLENSLEY.

The following resolution, introduced April 1, 1876, by a democratic member from Illinois, is a fair sample of the indignant expressions which were made against the engineer when the ventilation was so intolerable as to threaten to leave the House without a quorum:

#### VENTILATION OF THE HALL

Mr. SPRINGER. I ask unanimous consent to offer the following resolution: "Resolved, That the Clerk be directed to discharge the present engineer and appoint some competent person in his place."

Mr. Speaker, I desire to have this resolution referred to the Committee on Public Buildings and Grounds for the purpose of having an early report upon this subject. I do not know this engineer, nor do I know anything as to the truth of the statement which I find in the papers, that he is endeavoring to demonstrate the insufficiency of our heating and ventilating apparatus, in order to have the House adopt some other system of heating and ventilation. I know nothing about these things; but I do say that if he had desired to introduce a system of torture, he could hardly have accomplished the result more successfully than he has done for the last few weeks. I move that the resolution be referred to the Committee on Public Buildings and Grounds.

COLONEL L. H. FITZHUGH, LATE DOORKEEPER

to the House of Representatives of the United States, and late sergeant-at-arms to the senate of the so-called Confederate States, was discharged in disgrace for writing a silly and foolish letter to a friend who made it public because Fitzhugh would not appoint a certain McClancy to a position under him. Fitzhugh was charged with grave offenses, such as larceny, perjury, arson, &c., but my colleague, Judge DURHAM, put an end to an investigation of these charges by a letter to Fitzhugh and a statement to the Committee on Rules.

The letter is now on file in the Speaker's room, and reads as follows:

WASHINGTON, D. C., January 19, 1875.

DEAR SIR: In regard to your troubles at Crab Orchard, I have this to say: My opinion is there was not the least foundation in fact upon which you should have been indicted in either case.

Having been your counsel in both cases, I believe both were gotten up through malice or under a misapprehension of the facts. You were promptly acquitted in both cases.

I don't think there was scarcely any person who believed you to be guilty.

Yours,

Mr. L. H. FITZHUGH.

M. J. DURHAM.

The committee in referring to Fitzhugh's letter to a friend living at Sherman, Texas, in which he asserted—  
I am a bigger man with the members than old Grant.

I am making up a party already to come on to Texas on the adjournment, S. S. Cox to head it. he is the warmest friend of mine you ever saw.

I have now fifty letters from my southern friends from all parts of the South congratulating me. thus wags the world. let a man be prosperous and every man is his friend—

report as follows:

Even those who find nothing bad in the character of the man who wrote this letter, and who acquit its writer of any misconduct in office, agree that the letter is supremely weak and foolish. It evidences an unbalanced and unreliable judgment. Making every allowance for the privacy of the letter, it betrays ignorance of his relations to the House and its members. The appointment of his son, a mere boy, to a twenty-one-hundred-dollar place, and when that was vacated by him then his re-appointment and retention as file clerk at a salary of \$1,800, shows a disregard of a principle of civil service frequently commented upon of late, and which demands unselfishness, fitness, maturity, and capacity. The letter betrays a giddiness which betokens a character unsuited to the serious and responsible position which a Doorkeeper should possess. His retention of the position would bring the House into ridicule and contempt among that class of "plain people" who are the best critics of the decorum and decency which should attach to the one of the two first law-making bodies in our land. Setting aside all charges as to the personal character of the officer, there is enough in the letter, which it is needless and painful to analyze further, to show that he is unfit for the position. Whether it be a public or private letter, it is indicative of the spirit of the officer as regards the honor of members of the House and the respect due from him to other high officers of the Government.

But as to the criminal charges against Fitzhugh the committee had only this to say, namely:

2. As to the indictments for arson, larceny, and perjury, the committee heard the statement of Judge DURHAM, of Kentucky, who had been the attorney of Colonel Fitzhugh in these several cases; and if the records were not sufficient to estop the committee from inquiry into the charges, the statement of Judge DURHAM

is conclusive, namely, that if he had been on the jury he would have been bound to acquit upon the testimony.

Now it occurred to me at the time the committee made that report that it had either made a mistake or that Judge DURHAM overthrew the mark when he rose to a question of privilege in this House and said:

DOORKEEPER OF THE HOUSE.

Mr. DURHAM. I ask the Clerk to read the passage marked in the paper which I send to the Clerk's desk.  
The Clerk read as follows:

Judge M. J. DURHAM, the present Representative in Congress from this district, is perfectly cognizant of the truth of this accusation. If put upon the witness-stand, he would be compelled, reluctantly of course, to convict Fitzhugh of perjury. I have been amazed for several months that he has countenanced or acquiesced in the imposition of such a creature upon his House, upon the party, and upon the country. This amazement is not confined to myself. In the opinion of many other friends of the judge it is now entirely in order that he should rise in his seat and explain.

W. G. WELCH.

Mr. DURHAM. Mr. Speaker, the sentence just read is the close of a long article I find in the Louisville Daily Courier-Journal of May 5, and copied in the National Republican of yesterday. The preceding part of the article speaks of the indictments against Colonel Fitzhugh, the present Doorkeeper of this House, his trial and acquittal; that the negro Tom Scott had sued in the Federal court certain parties who he alleged had maltreated him; that Colonel Fitzhugh was sworn as a witness on the trial of the case; that he had sworn falsely in twelve particulars, &c.

Now, I am cognizant of the facts spoken of by Mr. Welch thus far, to wit, that Colonel Fitzhugh was indicted for three offenses spoken of by him; he was tried and acquitted of each and all of them, as stated by him. I was one of his counsel in the cases. Tom Scott, the negro spoken of by Mr. Welch, sued the parties named by him in the Federal court, and recovered judgment against all of them except Dr. Dunlap. Colonel Fitzhugh was sworn as a witness for said Scott. I was summoned and sworn as a witness also in the case. We were both examined as to some matters occurring during the investigation of the charges against Colonel Fitzhugh. In some of these we differed. To what extent and what were the points of difference I cannot now remember, but they were regarded as material in the trial of the case. I then remembered them with distinctness, and thought Colonel Fitzhugh's statements were incorrect where we differed.

I should state further that in consequence of sickness in my family I did not reach Washington until Monday morning, the day the House was organized, the democratic caucus at which Colonel Fitzhugh was nominated for Doorkeeper having been held on the Saturday evening previous, and I did not know that he was a candidate for the position until after he was nominated. Had I been in the city before the caucus was held, and had known his name would have been presented, I should have communicated these facts to those who were pressing his claims, that they might have judged as to the propriety or impropriety of his nomination.

I will state further that I had no personal acquaintance with Colonel Fitzhugh until I was employed to defend him in said charges; but, as is stated by Mr. Welch, he was generally popular in the community where he lived.

Messrs. Welch, Dunlap, Jones, Shannon, and all the parties sued by Tom Scott were gentlemen of good standing and high respectability, and that community, knowing them and Colonel Fitzhugh and knowing what occurred at all these trials, have made up their judgment as to the real guilt or innocence of the parties implicated.

I make these statements not for those who know the facts where they occurred, but that the members of this House and others may see how much I know of the matters stated in the article just read and how far I have been connected with them. I have heretofore explained these matters frequently to members who have asked me in regard thereto.

CLERK OF THE HOUSE.

Hon. G. M. Adams, a captain in the Federal Army till Lincoln issued his emancipation proclamation, afterward appointed additional paymaster in the Federal Army, with the rank of major; a politician until he "got poor in politics," and a salary-grabber before he got to be Clerk, is another specimen of civil-service reform as practiced by the Simon-pure democracy that controls this House. The House was quite as unfortunate in the selection of its Clerk as that officer was in appointing his uncle, Green, to be Chief Clerk.

The following comment is taken from the Cynthiar News, a democratic paper:

Matt Adams, the man who is elected Clerk of the House of Congress, voted for the bill known as the salary-grab, took the money, came home, and prepared a speech, it was said, to justify his acts; but the democracy of Kentucky, through their representatives in the Legislature, condemned him and all other salary-grabbers as wanting in patriotism and unworthy the confidence of the people. The members from Kentucky who voted for and took the grab were set aside as unworthy to represent the people again, and the present delegation put in their places should have taken some pains not to support a man to a respectable position as Clerk of the House of Representatives who rested under condemnation, especially, too, for an act that was considered scandalous to the nation and looked upon as such by all parties. Furthermore, if the delegation were determined that none other than a Yankee soldier could fill the place, why not get one who had a respectable political record at least, which it seems Mr. Adams has not? Take the action of the democratic caucuses all in all the good common sense of the people has been terribly outraged, and we can see it in no other light. No such stultification will be permitted by the people. The people cannot be forced to eat dirt. We see another political grave-yard in the future, and certain people are traveling there rapidly.

A democratic paper can thus comment on the war record of a Federal officer who afterward became a salary-grabber and Clerk of a democratic House of Representatives, but when I referred to the fact I was taken severely to task by two of my colleagues.

Of the propriety of their remarks the country will, I think, agree with the sentiment expressed in the following extract from the Mountain Echo, published at Loudon, Kentucky:

LITTLE MATT.

Hon. Matt Adams's war record and salary-grab record were attacked in Congress the other day. His war record was defended by two rebel democrats, and his salary-grab by a salary-grabber.

If Major Matt Adams desires to maintain an unimpaired reputation as a Federal soldier he should quit bedding with PROCTOR KNOTT and JOE BLACKBURN. Whatever may be claimed for those gentlemen in other respects, they are not good company for a Union soldier.

The following dispatch to the Baltimore Gazette, a democratic newspaper, was enlarged upon in an editorial in the Washington



Gazette, which latter was made by order of the House April 26, 1876, the basis for an investigation into the conduct of the Clerk and his subordinates in relation to the legislative, executive, and judicial appropriation bill:

THEASONS IN THE CAMP—EMPLOYEES OF THE HOUSE CONSPIRING AGAINST A REDUCTION OF SALARIES.

[Special dispatch to the Baltimore Gazette.]

WASHINGTON, March 30.

There will not only be a determined but an organized opposition to the executive, legislative, and judicial appropriation bill. It appears that the House employees, headed by the Clerk, have combined to influence their friends on the democratic side to unite with the republicans in voting to recommit the bill to the Appropriation Committee with instructions that if a systematic reduction of salaries is to be made it should be on the basis of salaries at the time they were fixed. That would require the committee to reduce the pay of Senators and members to \$2,500, as their pay was \$3,000 per annum when the existing rates of compensation were allowed to Department clerks and most of the House employees. The leadership of the opposition to the bill will be on the republican side. On the other hand, Mr. RANDALL, chairman of the committee, will, when the time comes, speak plainly of this insubordination in the party and on the part of employees, and will intimate that those who do not find the compensation proposed large enough to meet their wants can readily seek employment elsewhere. But for them to oppose the work of a leading committee and one of the radical duties demanded by the country is more than the leader of the House proposes to endure in silence. The plotters against the just intentions of the Appropriation Committee will be called conspirators and their combination denounced as traitorous.

The Committee on Rules had disposed of C. H. Smith, late journal clerk, and L. H. Fitzhugh, late Doorkeeper, so readily, that that committee was ordered to investigate the Clerk, Hon. G. M. Adams. For nearly a month nothing was done with the resolution. In the mean time, the Chicago Inter Ocean charged that the Clerk was farming out his appointments. The Clerk asked for an investigation, and a select committee was appointed for that purpose. It was suddenly discovered that the resolution which I had introduced should also be referred to that select committee. It was suddenly discovered that one officer of the House should not be investigated by another officer of the House, and especially the Clerk should not be investigated by a committee that had for its chairman the Speaker *pro tempore* and among its members two Ex-Speakers of the House, notwithstanding the fact that this identical Committee on Rules had investigated Doorkeeper Fitzhugh and discharged him in disgrace; and likewise had investigated C. H. Smith and compelled him to resign; and so the resolution to investigate the Clerk was reported back to the House by the Committee on Rules and referred, May 20, to the special committee appointed to investigate other charges against the Clerk.

There the matter rested for more than a month. On the 13th of July last that special committee, to whom was intrusted the investigation of the Clerk, Hon. George M. Adams, made the following report, namely:

The special committee to whom was referred the resolution submitted by Mr. WHITE, and adopted by the House on the 26th of April last, directing an inquiry into certain alleged improper attempts of the Clerk of the House and his subordinates to influence legislation, beg leave to report:

That on investigating the facts they find no foundation whatever for the charges contained in the newspaper article recited in the preamble of the resolution; and executing the specific instructions of the House they find from the testimony taken by the committee—

First. That neither the Clerk nor his subordinates have "violated any law or done any act inconsistent with their position as employees of the House;" and

Secondly. That "further legislation is not necessary to protect the House from undue influence on the part of its officers and employees."

The committee recommend that the resolution be laid on the table and the committee discharged.

The report was adopted.

Now, Mr. Speaker, I do not desire to cast any reflection on the action of that committee, but I think that it is entirely proper for the House and the country to have the testimony in this case. I think the Clerk, according to his own testimony, has interfered with the legislation of this House to an extent that is not consistent with his position as a subordinate of this House. I give his language. I quote from his testimony given before his own committee, and it is interesting to any one who desires to know just what this House means by civil-service reform, and, further, what internal improvements here are necessary.

[Extract from testimony of George M. Adams, Clerk of the House of Representatives, June 30, 1876.]

In reference to the reduction of the force, I thought that my experience in the general management of the office for several months, as well as the information I had derived from my predecessor, Mr. McPherson, enabled me to form a better idea of what reductions could be made than any member of the House, who had never given the subject special attention, could have. I was exceedingly anxious to get up facts and figures which would convince the Committee on Appropriations that I was correct in the view I took of the matter, and I know that I did succeed in convincing some of them. Indeed, some of the members were convinced before I said anything to them on the subject. I made out a comparative statement of the force which was required in the Clerk's office at former periods when the Congress was much smaller than it is now, and when as a matter of course there was much less work to be done and much less force required than is required now. That statement I also exhibited to members of the Committee on Appropriations, and it was used by Mr. FOSTER, and if this committee desire to hear it I will read it. [The statement was read from the RECORD of March 23, 1876.]

By Mr. HENDERSON:

Question. Did you make out that statement at your own suggestion or at that of Mr. FOSTER?

Answer. I made out that statement at my own suggestion.

Q. State to what extent you recommended or favored reduction.

A. The Chief Clerk, upon whom devolves the duties of the Clerk in case of ab-

sence or sickness, and who under existing law was getting \$3,600, was proposed to be reduced to \$2,250, a reduction of 37 per cent.

The journal clerk, who must be a highly competent man, and who was getting \$3,600, was proposed to be reduced to \$2,250, and was deprived of the assistant journal clerk, who has heretofore received \$3,000, the proposition being that the journal clerk should perform both his own duty and those of the assistant, which had heretofore cost \$6,600, for \$2,250.

Then the committee proposed to reduce the stationery clerk from \$2,160 to \$1,500, while the pay of the superintendent of the Clerk's document-room was not to be reduced at all.

When I first went before the Appropriation Committee I took my pen and struck out the names of the employees that I could dispense with.

I proposed to dispense with the chief messenger, at \$3,100; the assistant, at \$3,000; the assistant enrolling clerk, at \$2,160.

I also proposed to dispense with the clock-winder, who had heretofore received \$300. I thought the upholsterer could do the work as well.

I proposed to dispense with two folders, at \$1,440 each.

Altogether there were about nine that I thought I could dispense with.

Q. Did you recommend the reduction of the salaries of any of them?

A. No, sir. I left the question of the reduction of salaries to the committee. They informed me that they wanted to make reductions, and wished me to tell them where the reductions could be best made.

I was asked to come before the full committee, which I did, and gave them my views *in extenso* in regard to the reductions that could be and ought to be made.

Q. And the full committee, as you understand, reduced the force beyond the recommendation of the subcommittee?

A. Yes, sir.

Q. Did you know of the amendment offered by Mr. WADELL?

A. I did, and was instrumental in having the amendment offered.

Q. That amendment was offered in accordance with your recommendation?

A. Yes, sir; I state unequivocally that that amendment was offered at my suggestion. I have no concealment to make. It reduced the expenses of the office, according to my recollection, about \$23,000. The committee proposed to reduce it nearly twice that much, about \$45,000.

Q. Did I understand you to say that Mr. WADELL told you he was opposed to any reductions, and requested you to prepare that amendment?

A. He told me to let him know just what I needed in the office. He said "You know I have always been opposed to any reduction. I am opposed to any reduction in my own pay or in the pay of the officers."

That amendment was offered, and I confess that I was anxious to see it adopted. And I have no hesitation in saying that I believe if there had been a vote upon it it would have passed.

When this amendment was offered in the House the Committee on Appropriations objected to it, and the night before the amendment was withdrawn I had a conference with the chairman of the committee and told him what I thought would be the result.

I ascertained from him what his views were and endeavored to get him to assent, but he declined and spoke of the effect it might have upon the general features of the bill.

By Mr. WHITE:

Q. In connection with the statement you have just made, if the committee failed to adopt what you recommended, did you think it was your province or your duty to ask the House to do it?

A. Unquestionably I did, sir.

Q. What members besides members of the committee did you go to?

A. I do not remember now. There was quite a number and I don't pretend to remember who they were.

Q. Did you understand that the Secretary of the Senate was not going to sustain as great a loss in force as you were; and did you ask him if he was going to prevent the reduction?

A. Yes, sir.

Q. Are you not aware that some members of the Committee on Appropriations objected to the course you were pursuing?

A. One or two members of the committee spoke of it after some articles had appeared in the newspapers saying that there was a combination to defeat the bill.

Q. State what members protested on that subject.

A. Mr. HOLMAN remarked one day, "I understand you have made a combination against us." That was after the matter had been mentioned in some paper, and I assured him that there was nothing of the kind; that I should like to see the bill amended; but as to there being any combination or conspiracy, nothing of the kind existed.

I must confess that I am at a loss to understand how the committee after hearing this testimony of the Clerk's ever came to the conclusions they did. I verily believe that had the same Committee on Rules that so readily disposed of Claim-Agent Smith and Confederate Sergeant-at-Arms Fitzhugh been allowed to make an investigation of the lobbying conduct of the Clerk, they would have reported as they did in the case of C. H. Smith, to wit, that his conduct "involves a grave error of judgment which tends to create a conflict in his mind between duty and interest." And it is the appointment to office of such men as Hon. G. M. Adams and his crew that you call civil-service reform. Green Adams, a thief, or else stupid beyond recovery; C. H. Smith unable to distinguish "between duty and interest;" his master, G. M. Adams, the salary-grabber, no better. The manner of Ellison's appointment not altogether clear. The black-mailer, James McGlennsey, appointed to the position of assistant engineer to save the removal of Ellison on account of incompetency. Inexperienced partisans have been appointed to take the place of competent and worthy officials. All this is called civil-service reform. Turning out wounded Union soldiers to make room for incompetent political favorites is reform with a vengeance.

It is a kind of reform that will be properly and thoroughly rebuked at the coming November election.

In conclusion, Mr. Speaker, I have only to say that if this is the

kind of reform by which the democratic party expects to recommend itself to the American people, I feel sure that the result of the coming presidential election will prove a sufficient rebuke to such insincerity and dishonesty.

This House can bear witness to the fact that I have taken an active part in securing the removal of its unworthy and incompetent officers. I believe in reform. I believe in rebuking immorality, incompetency, and dishonesty; but I do not believe in that kind of civil-service reform practiced by this House, which is shown by the removal of faithful and competent veteran officers and crippled Union soldiers in order to give salaried positions to incompetent and inexperienced partisan friends who have nothing to recommend them except that they either served in the rebellion or sympathized with it, or never did any harm to the South during the rebellion, or have expressed deep sorrow for the part they took to preserve the Union.

This is not the kind of reform that the people want. They want a reform that will insure an honest collection of the revenues of the Government, and that with the least possible expense. They are satisfied of the fact that there are a great many bad men—corrupt men—in public life. There is no necessity for occupying time on this score. They desire an honest payment of all debts, public and private, and a fulfillment of every promise made to the soldiers. Thousands will ask why we have not passed the bill allowing arrearage of pensions on account of death or wounds received or disease contracted in the service of the United States during the late war. Thousands will wonder that the present oppressive tobacco law has not been modified in some manner like that proposed in the following bill introduced by me, so as to give the poor producer a living chance:

A bill to authorize producers to sell twenty-five dollars' worth of tobacco, on the farm where produced, free of tax, and without requiring a license therefor.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That producers are hereby authorized to sell twenty-five dollars' worth of tobacco without paying any tax thereon or any license therefor: *Provided,* That the same shall be sold on the farm where produced: *And provided further,* That any producer availing himself of this provision shall keep a memorandum of the amount of each sale and the name of purchaser, for the inspection of any authorized agent of the Government.

Thousands will want to know why some such measure as the following was not adopted to effect the collection of revenue on whiskey manufactured in remote localities. They will ask, Is there no way by which the Government can avoid paying more to its officers in salaries than the revenue of whole congressional districts amounts to?

IN THE HOUSE OF REPRESENTATIVES,  
January 5, 1876.

Mr. WHITE, on leave, introduced the following joint resolution:

Joint resolution to economize in the collection of internal revenue on distilled spirits in "remote and out-of-the-way localities."

Whereas "in the mountainous districts of several of the Southern States there is a great deal of illicit distilling of spirits in remote and out-of-the-way localities;" and whereas "the distilling apparatus used is of a simple and inexpensive nature," easily removed and of little value; and whereas the legal distilling of spirits in such "remote and out-of-the-way localities" costs the Government for hire of officers more than the revenue collected amounts to; and whereas the present law, which makes no distinction between hand-mash copper distilleries and steam distilleries, is unjust, and tempts the reckless to make "moonshine" whisky: Therefore,

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Commissioner of Internal Revenue be, and he is hereby, authorized and instructed to discharge all store keepers for distilleries having an average daily capacity of less than ten wine-gallons; and that the said Commissioner require the gaugers attendant upon all hand-mash copper distilleries having an average daily capacity of less than ten wine gallons to collect a special tax of not less than \$25 nor more than \$100, according to the capacity of the distillery, for each six months, or parts thereof, said hand-mash copper distilleries may operate.

And tens of thousands of honest and moral people will ask why some bill has not been passed by this Congress looking to the final disease of intoxicating liquors.

The prohibitionists, who have met in convention and adopted the following, will be especially disappointed:

*Be it resolved by the friends of prohibition and reform in convention assembled,* That we regard our form of government the best known to men, and with just, wholesome, and equal laws, honest, qualified, and sober officers, perfect liberty, life, property, and happiness can be enjoyed by every person, and it will become, under an all-wise Providence, an asylum indeed for the oppressed of all nations, who have been and should yet be cordially invited to make this their home and country.

*Resolved,* That we will from this time forth in political matters adhere to these principles of reform, regarding them (as they are) legitimate subjects of State and national legislation, and will cast our votes for no one who will not pledge to carry them out.

And all that class of practical reformers who would prevent the evil effects of intemperance by prohibiting the manufacture or importation or sale of spirituous liquors will feel aggrieved that Congress paid no attention to their views, embodied in the following bill:

IN THE HOUSE OF REPRESENTATIVES,  
May 1, 1876.

Mr. WHITE, on leave, introduced the following bill:

A bill to lessen crime and human suffering from alcoholism by restricting the use of distilled spirits to scientific, mechanical, and medicinal purposes.

Whereas the injurious effects from the use, as a beverage, of intoxicating liquors are universally admitted; and whereas spirituous liquors are powerful instruments for evil and corruption in our elections; and whereas the unbridled traffic in spir-

ituous liquors promotes contention, riots, ignorance, and poverty; and whereas the iniquity of alcoholism is visited through the parent "upon the third and fourth generations;" and whereas the effects of alcoholism are filling our prisons, houses of correction, and institutions of charity with criminals and sufferers and covering the land with woe and misery: Therefore,

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That on and after the 4th day of July, 1876, no person shall produce that substance known as ethyl alcohol, hydrated oxide of ethyl, or spirit of wine, or any other intoxicating liquor which can be produced by the fermentation of grain, starch, molasses, or sugar, including all dilutions and mixtures of this substance; nor shall any intoxicating liquors of any description whatever be imported into the United States after the passage of this act.

SEC. 2. That the Secretary of the Treasury shall immediately after the passage of this act advertise in twenty prominent newspapers, printed in as many cities in the United States, for proposals for citizens of the United States to manufacture distilled spirits for scientific, mechanical, and medicinal purposes, and to be sold, as nearly as may be, at the cost price, for scientific, mechanical, and medicinal purposes alone, under such regulations as the Secretary of the Treasury may from time to time direct.

SEC. 3. That the advertisement published under the preceding section must describe the kind of spirits required and must require the proposals to be accompanied with sufficient security for their performance.

SEC. 4. That the Secretary of the Treasury shall, by the 4th day of July, 1876, notify the lowest bidder whose sureties are deemed sufficient of the acceptance of his proposals.

SEC. 5. That nothing in the preceding sections shall prevent the Secretary of the Treasury from contracting from time to time for such distilled spirits as may be necessary to meet the demands for scientific, mechanical, and medicinal purposes.

SEC. 6. That nothing in the preceding sections shall be construed so as to limit the time of any license for the manufacture or sale of intoxicating liquors which is at present operating: *Provided,* That no extension of time nor any new license shall be hereafter granted for the sale of any intoxicating liquors.

And if this conference report on the river and harbor appropriation bill is as lacking in justice and as unworthy of public approval as the claim of the democratic party to confidence and support on the ground that it is a "reform party" is puerile and audacious, then I ask in all sincerity, is this such a bill as merits our approval? I think it is not; and I hope it will lie upon the table or be referred to the Committee on Commerce with instructions to report at the next session of Congress. By that time I trust we shall be able to do what is fair and just to all sections and make appropriations for such improvements only as are of great national importance.

By a wise and economical administration of the Government the republican party has maintained the national credit, reduced the public debt over \$600,000,000 during the last ten years, and in that length of time has reduced the expenditures of the Government \$1,058,500,000, and reduced the taxation on the people \$303,600,000.

I will insert as a part of my remarks some carefully prepared tables, as given by the distinguished gentleman from Ohio, Mr. FOSTER:

From customs receipts the loss during Jackson's time from 1834 to 1837 on \$1,000 was \$17.36; in Van Buren's time, \$3.93; in Grant's administration, two cents' loss on each \$1,000.

From January 1, 1834, to June 30, 1861, the losses were \$2.23 per \$1,000; from July 1, 1861, to June 30, 1875, during republican administrations, fourteen cents per \$1,000. The internal-revenue system did not exist during democratic administrations. The losses per \$1,000 of receipts have been \$1.70; from miscellaneous sources during Jackson's term, \$3.75 per \$1,000; during Van Buren's service, \$4.76 per \$1,000; during Buchanan's time, \$12.09; and now, General Grant's term, sixty-nine cents per \$1,000! The average losses during democratic administrations, \$4.53 per thousand; in republican administration, \$1.30 per thousand.

On the total receipts from all sources the loss during democratic administrations was \$2.09; during republican administration, thirty-four cents.

#### REDUCTION OF PUBLIC EXPENDITURES.

The following table shows the expenditures of the Government for the fiscal years from 1865 to 1876, inclusive, with the reduction each year from 1865:

1865	.....	\$1,397,555,294 41; maximum.	
1866	.....	520,809,416 99; reduction	\$776,745,807 43
1867	.....	357,542,675 16; reduction	163,266,741 83
1868	.....	377,340,284 86; increase	19,797,609 70
1869	.....	322,865,277 80; reduction	54,475,007 06
1870	.....	309,653,560 75; reduction	13,211,717 05
1871	.....	292,177,188 25; reduction	17,476,372 50
1872	.....	277,517,968 67; reduction	14,659,225 58
1873	.....	290,345,245 33; increase	12,827,282 66
1874	.....	297,133,873 17; reduction	3,211,372 16
1875	.....	274,623,392 84; reduction	13,510,480 33
1876	.....	258,500,000 00; reduction	16,123,392 84

While this constant reduction was going on Congress gradually reduced taxation, making the reduction of expenses and the reduction of taxation go hand in hand. Our present pretended reformers pretend to large reduction of expenses, but are not willing to reduce taxes.

This illustrates the difference between the policies of the two parties now contending for supremacy.

The following table shows the dates of the acts of Congress reducing taxes and of the amount of the annual reduction:

#### REDUCTION OF TAXES BY ACTS OF CONGRESS.

The following exhibits the estimated reduction of annual internal taxation and customs duties under the laws mentioned:

Act of July 13, 1866	.....	\$65,000,000 00
Act of March 2, 1867	.....	40,000,000 00
Act of February 3, 1868	.....	23,000,000 00
Act of March 1, and July 30, 1868	.....	45,000,000 00
Act of July 14, 1870	.....	78,948,827 33
Acts of May 1 and June 6, 1872	.....	51,823,761 38

The republican party may well look back to such deeds with pride; and the democratic party, which is the party of treason and rebellion, must take the responsibility for our enormous public debt and the burden of taxation which is saddled upon the people in consequence of the late war, and as the price of liberty, freedom, and union.



The democratic party has an overwhelming majority in this House. Out of that majority, let the country remember the fact that forty-four can boast of a war record; that they fought as brigadier-generals, colonels, lieutenant-colonels, majors, captains, and the Lord only knows what not, for the "stars and bars" and the "lost cause," which did not succeed in laying its corner-stone in human slavery. And, sir, out of these forty-four who occupy seats on this floor by the grace and magnanimity of the republican party, some have gained unenviable notoriety for putting conundrums to the President and some for attempting to smirch the characters of prominent and great men not of their own party.

They have done more investigating, at great expense to the people, and proved less in proportion to the fuss made than any set of men who ever conspired to carry out a project by which they expected to thrust themselves into power.

To get up an excitement, to slip into power and get away with the plunder, à la Jeff. Davis and Floyd, are the objects of all their investigations and by them "a consummation most devoutly to be wished." Since they could not set up a separate government of their own they strive to secure the control of that Government which they sought, but ingloriously failed, to destroy. To accomplish their purpose they have been assigned to the dirty work of throwing mud, and have succeeded in transforming their committees of investigation into mud-machines. Upon investigation, however, as many democrats happen to be caught engaged in questionable transactions as there are republicans. There is a Pendleton for every Belknap. But when a democrat is caught or accented you see these committees jump back and squat upon their haunches as does a dog when, in hunting for other game, he unexpectedly finds a snake in the grass. There is no concealing the fact that numbers of republicans have been investigated for political effect by various committees of this House with an abandon and spirit of party hate unworthy of fair-minded and honorable men.

Mr. Speaker, it is now more than six months since Congress assembled. Before we met the whole people of the United States awaited, with hope or doubt or distrust, the results of our assembling and our action. Now they are satiated. They are thoroughly disgusted. What have we done to cheapen transportation between the East and the West? Nothing. What have we done to revive the drooping and perishing industries of the country? Nothing. What have we done to fill up the "bloody chasm" by restoring peace in the South and establishing confidence and good-will throughout our excited country? Nothing. Where have we retrenched? What reforms have we introduced? We have had a splendid opportunity to reduce salaries. Why have we not done it? Because we are not in earnest enough to strike our own salaries; and because to reduce the salaries of others poorer paid than ourselves would be basely mean. We are too cowardly to reduce the enormous salaries received by all of us who are paid out of the public Treasury.

All this democratic howl about retrenchment and reform is full of falsehood and patent insincerity.

By the faithlessness of a former republican Congress you slipped into power. By your own blunders, bad faith, and incompetency you will go out of power at the earliest opportunity.

We shall await the verdict of the people to be expressed in November, feeling confident that it will be announced to you democratic reformers—

Depart, ye workers of iniquity, into everlasting darkness, prepared for the devil and his angels.

Let us look hopefully to the future. With Hayes and Wheeler elected and a Congress republican in both its branches, after 4th of March next we may confidently expect a revival of business in every industrial pursuit, and a peace, prosperity, and happiness which a democratic victory can never insure.

Look up, look forth, and on!  
There's light in the dawning sky;  
The clouds are parting, the night is gone;  
Prepare for the work of the day!  
Fellow thy pastures lie  
And far thy shepherds stray,  
And the fields of thy vast domain  
Are waiting for pure seed  
Of knowledge, desire, and deed,  
For keener sunshine and mellow rain!  
But keep thy garments pure;  
Pluck them back, with the old diadain,  
From the touch of the hands that stain!  
So shall thy strength endure—  
Transmute into good the gold of gain,  
Compel to beauty thy ruder powers,  
Till the country of coming hours  
Shall plant on thy fields apart  
With the oak of toil, the rose of art!  
Be watchful, and keep us so;  
Be strong, and fear no foe;  
Be just, and the world shall know!  
With the same love, love us as we give;  
And the day shall never come  
That finds us weak or dumb  
To join and smite and cry  
In the great task, for thee to die,  
And the greater task, for thee to live!

#### River and Harbor Bill.

### SPEECH OF PETER D. WIGGINTON, OF CALIFORNIA,

#### IN THE HOUSE OF REPRESENTATIVES,

August 10, 1876,

On the river and harbor bill.

Mr. WIGGINTON. Mr. Speaker, the interests of this country demand that a measure of this character should be favorably considered by Congress. I am not disposed to antagonize any suggestion that contemplates the improvement of our commerce or the protection of the laborers on the sea. Every avenue leading to the markets of the world should so far as possible be relieved from obstructions.

I rejoice that I have the honor to represent an essentially agricultural population. Of the generous wealth of their soil, of its really wonderful productive capacity, it is, I am proud to say, unnecessary for me to speak. I have no doubt, however, that the authorized statistics of the wealth of this Government will abundantly testify. I do not hesitate to challenge an honest and fair comparison with any portion of our much-favored Republic. Every measure tending to sustain, advance, and promote the material welfare of those I have the honor to represent it is my duty as well as my pleasure to advocate, here or elsewhere, and that I will endeavor to do on this occasion to the utmost of my ability. So far I am not conscious that I have neglected to do my duty. And in opposing this bill I feel that I am pursuing the line of conduct heretofore adopted and pursued by me, not only toward my constituents, but toward the entire Union.

We must not, certainly we should not, forget that this is a Union of co-equal States, each contributing to the support of the other and the maintenance of our common country, each entitled to the same rights, the same privileges, and the same benefits. There should be no class or no special legislation. If this measure was fair, was equal, was general, and not special and local in its features, I would be of its most ardent supporters. I repeat that I indorse the principle it contains, but repudiate the abuses its adoption must necessarily engender.

California, ever devoted and true to the best interests of this country, cheerfully contributes her full proportion to the general fund. Is she then not entitled to receive proportionate benefits in return? Is it right to rob Peter to pay Paul; no matter if the latter be the fair though illegitimate child of the grand old mother of Presidents, or the twin sister of the lakes; or Minnesota, in whose praise the gentleman from Pennsylvania [Mr. KELLEY] so kindly spoke to the disparagement of California; or even the Empire State, that has always been a beneficiary of the General Government?

No, Mr. Speaker, California is entitled to her proportion, and so are other States that have been totally ignored or partially denied any advantage by this bill. I will speak no further for my State, but will address myself to you, Mr. Speaker, and this House, for my own district. Independent of States with single representatives I represent the largest district in this Union. It has an area of more than one hundred thousand square miles; larger, if I recollect aright, than all the New England States and the great Empire State included, containing a population of nearly if not quite two hundred and fifty thousand honest, industrious, independent, and self-supporting people, possessing a property valued at more than a quarter of a thousand million dollars, and that, too, in Jacksonian coin—good old gold and silver. It is capable of comfortably sustaining within its limits millions of people, a population even double that of the whole country at the time our ancestors asserted their independence.

I represent all of the Pacific coast from the city of San Francisco (the commercial center and the destined metropolis of the world) south to the Mexican border, a sea-coast line of more than nine hundred miles. Should I speak, not alone for my district, but in a general way, I would be right in saying that this bill is unjustly partial, discriminating in favor of certain localities; giving munificently to some, while it denies any and everything to others, in my judgment equally deserving. In some instances it appropriates money where little if any good can be obtained for enterprises mainly speculative in their character. In others it omits appropriations where the demand is imperative and the resultant benefits would be very great.

I do not mean to be invidious in my comparisons, but I must call attention to certain peculiarly prominent and glaringly partial items in this bill. It gives the large sum of \$270,000 for the improvement of Fox and Wisconsin Rivers. Now, sir, I apprehend there is not a Representative from the State of Wisconsin, (for they are candid men,) but must admit that every dollar appropriated for the improvement of the Wisconsin River is just so much money thrown away. I will not undertake thus to speak of the Fox River. But as to the Wisconsin, I know whereof I speak, and I do not think it could be made navigable by the expenditure of a sum equal to that of our unfortunately large national debt. And further I do know that not one hundred thousand dollars' worth of commerce passes over it in a year. It is not navigable to even the smallest steamers, and fails absolutely in being an avenue of transportation, except to float a few rafts of lumber. I repeat, sir, it has no commerce, and can never have any. Millions have been expended in the experiment to improve

it and nothing has been accomplished. Yet, sir, the experiment goes on, and the worst feature of all is, that for the improvement of the fifteen hundred miles of our Pacific coast not one dollar is appropriated.

There should be shipped from the port of Monterey, California, this year many hundreds of thousands of bushels of surplus produce, and it would be so shipped and consumed in the markets of the world but for the want of an expenditure of a few thousand dollars upon the harbor at that place. By failure to make the appropriation of the paltry sum of \$12,000 in this bill the farmers in that vicinity are compelled to ship their surplus products to San Francisco by rail, a long distance, at a very large expense to the poor farmers, and therefore to the still poorer consumer, benefiting only the railroad companies and injuring the people.

West Virginia, with a commerce not equaling one-tenth that of Southern California, receives \$277,300. And when appropriations are given to California it is for the purpose of attempting to build a harbor inside the finest harbor in the world. Just think of it; building a harbor at Oakland, within the bay of San Francisco itself, and that, too, upon private property, as I am informed, while the Wilmington Harbor, in Los Angeles County, California, upon which the Government has already expended considerable money, and through which passes nearly all of the commerce of that immense territory, comprising the counties of Los Angeles, San Bernardino, Inyo, and a portion of San Diego, and the Territory of Arizona, a commerce amounting to millions per annum, is refused a dollar, so that the great expense of light-terge, now necessarily incurred, might be obviated, and an expense to the producers of many thousands of dollars per annum be avoided. I observe that an appropriation of \$20,000 is given for the improvement of the Missouri River above the mouth of the Yellowstone, a river running through a wilderness where there is not now and cannot for many years to come be any commerce.

I could very properly, if disposed to contrast, call attention to the refusal to appropriate the insignificant sum of \$15,000 for the improvement of the Sacramento River, over which pass millions of money, invested in commerce, every year, and the improvement of which is of the utmost importance, and the appropriation of \$20,000 for the improvement of the Mississippi above Saint Anthony's Falls; and, again, \$10,000 for the improvement of the Chippewa River, Wisconsin, over which there can be but very little commerce. But it is not necessary that I should follow the comparison further. I mean to be just toward every section, and without further comment I respectfully invite attention to some of the strikingly partial features of this bill. Among others the following States enjoy special favor: Wisconsin receives \$354,000; Michigan, \$302,000; West Virginia, \$277,300; New York, \$373,000; Minnesota, \$175,000; and the improvement of the Tennessee River, \$270,000; while California, with her more than fifteen hundred miles of sea-coast and two important rivers, with a commerce exceeding either of the above-named States excepting New York, receives but \$95,000—\$75,000 of that to improve a harbor within the harbor of San Francisco.

Right here I will incorporate that portion of the report of Colonel G. H. Mendell which refers to the improvement of the harbor at Wilmington, California, and shows the importance thereof, content that it will develop that spirit of discrimination of which I now complain:

2. *Breakwater at Wilmington, California.*—Lieutenant Sears has made, during the year, three careful hydrographic surveys of the entrance to Wilmington Harbor, each of which has exhibited an improvement in the depth of water as compared with any preceding survey, and jointly they afford an interesting study of the steps by which the tidal forces excavate for themselves a sufficient channel. These forces, unaided, except by the constructions of the past four years, have increased the depth at the entrance more than four feet. There is now a depth at mean low water of quite six feet.

This process will be materially expedited by dredging, which, however, has not been carried out quite as successfully as was hoped, only 24,087 cubic yards having been excavated. The dredging is still progressing, and will be continued until a depth of ten feet is secured.

The sand has formed along the work in a favorable manner, but with not so much rapidity as was anticipated. A portion of the timber-work was thus exposed to the attacks of marine insects, which in these waters are very destructive. It became necessary to protect this timber-work, about 1,000 feet in length, by covering it with stone and gravel. This has been partially accomplished, and is still in progress.

The funds available are sufficient to carry out the project as originally designed; but the large increase of commerce which has taken place would justify an extension of the work so as to secure a depth of fifteen feet at mean low water, for which the sum of \$100,000 is required.

Balance in Treasury of the United States July 1, 1874	\$73,000 00
Amount in hands of officer and subject to his check July 1, 1874	2,621 99
Amount appropriated by act approved March 3, 1875	30,000 00
Amount expended during the fiscal year ending June 30, 1875	22,555 78
Amount available July 1, 1875, including \$1,860 29 due on contracts	82,066 24
Amount required for the fiscal year ending June 30, 1877, (as revised in this Office)	100,000 00

#### WILMINGTON HARBOR, CALIFORNIA.

The unjoined extracts from a report by First-Lieutenant Clinton B. Sears, who has been in immediate charge of the operations at Wilmington, gives a clear account of the condition of the work and of its details during the year.

A careful inspection of the double work of timber, made in March, proved that it had been attacked by marine insects, which in these waters are countless in numbers and exceedingly destructive in their operations.

This wall had not been covered by sand to the extent that had been anticipated, and for this reason the timber had been much exposed. It was thought best to protect this timber without delay, and Lieutenant Sears was directed to procure stone for this purpose.

There has been a steady improvement in the depth of water in the channel, which has been proved by these careful surveys. There is now a depth of six feet at mean low water, which is more than four feet better than at the commencement of the work. This depth is independent of dredging, and results from the construction alone.

There is now no reason to doubt the full success of this improvement as it was originally projected, and at a cost which will differ but little from the original estimate, which, in view of the exposure and risk of many of the operations, must be regarded as very satisfactory. The depth which it was originally intended to secure was 10 feet at mean low water.

We may soon expect this depth. It may, however, be a question whether the large increase of commerce, which is shown by the exhibit hereto appended, will not justify an increase of depth. A further increase of 5 feet will make an entrance that would accommodate the vessels trading to this point in a very satisfactory manner.

It may be remarked that, owing to the extension of the deep water seaward by the action of natural causes, this further increase of depth will not cost proportionally as much as the previous deepening. In illustration of this extension of depth seaward, it may be stated that the six-foot curve of depth has advanced 2,000 feet, the seven-foot 1,500 feet, and the eight-foot curve 1,100 feet in the past year.

There is good reason for stating that \$100,000 properly expended would nearly, if not quite, secure a depth at the entrance of 15 feet at mean low water, this sum being in addition to the funds now available.

The operations of the coming year will consist of dredging, which is now under contract, the protection of the double work, which is under progress; and the regulation of the channel by jetties or training-walls.

No appropriation is asked for the next year.

The following are extracts from the annual report of First Lieutenant C. B. Sears, Corps of Engineers:

"During the present year the natural banking of the sand against the outside of the timber-work has not been nearly as rapid as in the preceding year, so that in high-water embankment but little has been gained in the direction of the length, but much in width and height, so that, practically, Rattlesnake Island has extended out bodily along the outside of the work (and is due to its presence) to a distance of 2,500 feet, having an elevation to high-water mark and above and an average width of 250 feet. Over about half of this area a creeping sand-plant, peculiar, or rather quite common, on this coast, has got a fine foothold, and the top surface is rapidly being shifted into dunes, which are extended to a great extent stable by these plants. Beyond the present head of the island, (2,500 feet point of the work,) the sand has during this past year banked up to half-tide on the rest of the single work and for about half of the double work, thus securing these portions against the attack of the worms. The single-work portion of this sand embankment had previously been ripped up to half-tide with stone, which, however, did not keep out the worms, but acted as a catcher of the sand, which has filled into the interstices. The banking against the double work has taken place within the last six weeks and is due to some crib-wings recently built. The remaining half is banked with sand to about 14 feet above mean low water, and the action is going on, so that another year will probably see the double work as effectually protected from the worms with sand as is the single work; but to provide against accidents the riprap on the outside of the double work has been raised from 1 to 3 feet throughout its length of 1,000 feet, and nearly one-third of the vacant volume inside the double work, 6' by 10' by 1,000', has been filled with rock.

"At the close of last year the six-foot curve on the inside of the bar had, through natural causes, namely, the scour of the currents, advanced to about 200 feet beyond jetty No. 1. During the past year this curve has advanced 2,000 feet farther toward the sea, overlapping somewhat the six-foot curve outside the bar; the width of the six-foot area averages over 200 feet, so that there is now practically a good six-foot channel clear through and lying in the most favorable place. The seven-foot curve has advanced 1,500 feet and the eight-foot curve some 1,100 feet.

"It is estimated that the natural scour of the current during the past year has saved the removal by dredging of some 30,000 cubic yards of sand.

#### "WORK DONE DURING THE YEAR.

"*Dredging.*—On the 23d of July, 1874, a contract was closed with Mr. Boesche for dredging a channel across the bar. This required him to begin work on the 15th of September. His time was extended twice, to September 25 and again to October 13. He got into position October 13, started his sand-pump dredges on the 16th, which proved a signal failure; he on the 17th started his dipper and took out about half a scow-load of sand. He worked along doing little or nothing for about a month, when he broke down entirely and took off his machinery and started to build a new dredger.

"The contractor did not resume operations until February 5, 1875, since which time he has been working slowly, but somewhat steadily, and has excavated and deposited up to date 24,087 cubic yards of sand.

"He began work at the ten-foot curve inside the bar and made a cut giving 10 feet at mean low water over a width of 200 feet and for a length of 400 feet; from here the cut narrowed, till, at 200 feet farther, it was only 120 feet wide; from here the cut inside the bar was stopped and the dredger was moved outside the bar, into the ten-foot curve, where a cut to connect the outside and inside six-foot channels was begun. Work here began May 1, and to date a cut 60 feet wide and 560 feet long, and carried down to ten feet mean low water, has been made. These cuts have essentially maintained their width and depth, barring an unavoidable back-filling, for which extra depth was made, and on the outside cut some sloping off on the bar side, where the bank was very abrupt.

"On the main work.—The gap in the single work, 130 feet long and 3 feet deep, heretofore left open and furnished with tide-gates, has been built up flush with the rest of the work and the tide-gates removed. The point of junction of the work and island (initial point of work) has been strengthened by a bulkhead of timber and gravel some 30 feet long, 5 feet thick, and 4 feet high, built in the prolongation of the axis of the work and carried well into the high grounds. This cuts off the high-water wash around the head of the work.

"Two gravel dams, 40 feet long, 3 feet thick on top, and from 2 to 4 feet high, have been built at right angles to the single work, one three hundred odd feet from the initial point, the other about 200 feet farther out, and both on the sea-side, to cut off a high-water channel, which ran along parallel to the work and which had been scooped out by the reflex action of the wind over the top of the work.

"The breach at the head of and inside the work has been ripped up with gravel and cobble-stones over a length of 250 feet. The timber work in the third gap has been banked up with gravel on both sides; eight cribs, 6'x24'x10', have been built and put into position outside the double work, forming four crib-wings, 41 feet long each, and which will, as the sand accumulates, be built up to the top of the work. Two thousand four hundred tons (2,240 pounds each) of rock and 1,375 (2,240 pounds each) of gravel have been purchased in open market, and applied as follows, namely: of the gravel, 950 tons have been put into the third gap, and the balance used in the dams, bulkhead, and in riprapping the beach. Of the rock, 420 tons have gone into sinking and riprapping the beach. 735 tons have been put into the double work, and the balance as a riprap outside the double work.

"Incidental work.—The channel for the dredger has been kept plainly marked, first by buoys and afterward by beacons and ranges, and a large number of beacons and ranges have been built and planted to facilitate surveys of the harbor.



"Three close and accurate hydrographic surveys of the bar have been made. A series of current observations have been made to determine the force and direction of the currents in different parts of the harbor, with a view to the most advantageous location of the mouth of the channel. A lot of borings have been made to estimate and determine the shape and amount of rock lying in the channel.

## FINANCIAL STATEMENT.

Balance in Treasury of United States July 1, 1874	\$73,000 00
Amount in hands of officer and subject to his check July 1, 1874	3,021 99
Amount appropriated by act approved March 3, 1875	30,000 00
Amount expended during the fiscal year ending June 30, 1875	22,555 75
Amount available July 1, 1875, including \$1,880.29 due on contracts	82,066 24
Amount required for the fiscal year ending June 30, 1877	160,000 00

## COMMERCIAL STATISTICS.

For the following data I am indebted to the courtesy of Mr. Hewitt, superintendent; Mr. McCrea, auditor, and Mr. Smurr, freight auditor, of the Los Angeles branch of the Southern Pacific Railroad, through whose jurisdiction all the commerce of the country at present passes.

Of the imports in 1874, 13,903 tons were railroad plant, iron ties, cars, &c.; and in 1873, 17,067 tons.

Year.	Imports.	Exports.	Total tonnage.	No. of sailing vessels arrived and departed.	No. of steamers arrived and departed.
	Tons.	Tons.			
1874	57,034	18,056	75,090	94	352
1873	41,309	12,239	53,538	80	159
1872	38,811	10,429	49,240	57	147
1871	45,588	9,349	54,937	77	178
1870	22,320	7,050	29,370	56	147

The principal imports are lumber, general merchandise, and agricultural implements. The minor imports are cordwood, horses, cattle, and sheep.

The principal exports are wines and liquors, wool and fruits, oranges, lemons, limes, grapes, figs, and English walnuts, and bullion, though the amount of the latter will hereafter for a number of years be nothing, as the freighting of this article has been diverted to the Bakersfield route. The minor exports are the cereals, (barley, wheat, corn and beans,) honey, borax, asphaltum, (brea,) pelts, and hides, (dry and salt.)

Mr. Hewitt gives the opinion that the amount of tonnage in and out of the country during the six months ending June 30, 1875, exceeds either six months in 1874 fully 20 per cent.

Respectfully submitted.

CLINTON B. SEARS,  
First Lieutenant of Engineers.

Major G. H. MENDELL,  
Corps of Engineers, U. S. A.

The economy and retrenchment originated in this end of the Capitol have, in this single instance, much to my regret and to the injury of the country, been taken up at the other end of this building and in remodeling this bill have been carried to an extreme which must certainly receive the condemnation of the people.

The Senate seemed determined to out-economize our most fearless and earnest economists, and in this the distinguished senior Senator from my State has cordially and too successfully lent his very potential aid. So economical has he become that he has not only permitted, without opposition, but in some instances aided in crippling the commerce of the Pacific coast by refusing to maintain in the Senate appropriations initiated in this House for the improvement of our harbors and rivers.

This House, with economy and retrenchment constantly in their mind, and of which they were continually being reminded by the gentleman from Pennsylvania [Mr. RANDALL] and the gentleman from Indiana, [Mr. HOLMAN,] not to mention many other honest, earnest, and distinguished economists upon this floor, could not and did not refuse some appropriations for such important interests. And this bill passed this House with appropriations of \$30,000 for Wilmington Harbor, \$12,000 for Monterey Harbor, and \$15,000 for the Sacramento and Feather Rivers; these very important improvements demanding quite as much consideration as any and certainly more than many favorably considered in this bill.

Why, sir, one would have supposed that the Senate, which has become so indignant at our efforts to fix the salaries of Department clerks at a fraction less than they have been heretofore, who have intimated a disposition to keep us here all summer before they will yield to a reduction of \$500 per annum upon their own and our salaries, would have cheerfully granted the paltry \$57,000 to such important improvements, the expenditure of which would have been of vast benefit, saving hundreds of thousands of dollars to the people of a State which has ever cheerfully paid its full proportion to the support of the General Government. They have chosen to do differently for reasons no doubt satisfactory to themselves, however much this House or the people may differ with them. And I feel that nothing which I, or others who may view this measure in the same light with myself, can do will at this late day of the session remedy the error which, in my opinion, they have committed.

And now, Mr. Speaker, in conclusion, having from the beginning done all in my power to make this bill more just and less discriminating in its character, after a careful examination of the measure, giving it full and I believe impartial consideration, I must say I find it not only disregarding the just claims of my own State, but also as well the interests of other States, and therefore I do not hesitate to record my vote against it.

## Extravagance and Corruption of the Administration.

SPEECH OF HON. F. HEREFORD,  
OF WEST VIRGINIA,

## IN THE HOUSE OF REPRESENTATIVES,

August 12, 1876.

## On extravagance and corruption of the Administration.

Mr. HEREFORD. Mr. Speaker, during the year 1868 the number of failures in the United States was 2,608; in the year 1869, 2,790; 1870, 3,551; 1871, 2,915; 1872, 4,060; 1873, 5,183; 1874, 5,830; 1875, 7,740; and during the first three months of 1876 it was 2,806, or at the rate of 11,224 per annum.

And to-day we find the following in the Boston Post:

The list of mills stopped in New England is reported in the Boston Advertiser at over one million spindles, and the additions in New Jersey and Pennsylvania, with more to be heard from in Rhode Island and Connecticut, at 300,000, or 194 per cent. of the usual production. The spindles stopped are one-half on print-cloths, and represent a production of 55,000 pieces a week. Compared with the returns for previous years, the present production is less than would have been sufficient for any season since 1872.

And also the following:

## EFFECTS OF DULL TIMES.

To-day all the mills of Fall River cut down 10 per cent. in the wages of operatives. Much dissatisfaction is felt by the hands, and although but comparatively little is said it is easy to see that the feeling is intense among the operatives. Manufacturers say this cut-down is their only alternative; they must either do it or close up. The Sprague mills in Cranston and other parts of Rhode Island are either closed or running with small help. At Baltic the mills shut down Saturday night, and one thousand operatives were thrown out of employment. It is expected that there will be another suspension of A. & W. Sprague & Co., (now in the hands of Zachariah Chaffee, trustee,) on account of default of interest on extension notes for July.

So that in the short space of nine years, if the failures continue for the balance of this year at the rate of the first three months, we will have 45,871, which is unprecedented in the history of our country. During all this time, under the policy of the republican party, the volume of currency has been steadily diminishing.

Notwithstanding this alarming state of affairs, penury and starvation at the doors of our constituents, urged on by the money power, this same party in 1875 passed what is known as the resumption act, which has increased the contraction, forcing national banks to surrender their charters, to go out of existence, and these banks thereby forced to draw in their loans from the people. This most oppressive law, the resumption act, was forced through the House of Representatives under the suspension of the rules, thereby depriving the democratic members from all right of amendment or the right of speech, the right to expose its enormities and prostrating and direful effects upon the people. A few days since, after a great struggle in favor of an oppressed people, a democratic House passed a bill repealing it, but it sleeps in a republican Senate; and there it will continue to sleep until an outraged people rise in the might and majesty of their power and compel that body to listen to the demands of the people for relief. This resumption act forces or attempts to force resumption of specie payments in 1879.

Where is the coin to come from? Business men of every kind, farmers, laborers, debtors, where will you get the gold?

I say gold for the reason that this same party in February, 1873, demonetized silver.

By the terms of the Constitution and from the foundation of our present form of government gold and silver both have been a legal tender in payment of all debts. At the time of the creation of our present national debt, a great part of which is held in Europe, it could be paid either in gold, silver, or greenbacks; that is, the principal. On the back of every greenback was and is still printed these words:

This note is a legal tender at its face value for all debts, public and private, except duties on imports and interest on the public debt.

But at a subsequent period this same party passed a law by which the principal must be paid in coin. The laborer, the clerk in the Departments, the soldier who risked his life for his country, and the pensioner must take greenbacks, but the bondholder must have his coin.

When they had gone thus far in the interest of the bondholder you would think they had gone far enough; but the half has not been told. A more disgraceful chapter in the history of our country is yet to be read. In February, 1873, this same republican Congress, still in the power of the foreign bondholder and legislating for his interest and against that of their own country, their own confiding constituency, passed an act demonetizing silver, depriving it of its legal-tender quality, so that to-day the rapacious bondholders must and can be paid in gold and gold alone.

And the darkest, most disgraceful page in that chapter is the manner of the passage of the law, the means resorted to; the fraudulent and high-handed means was only equalled by the object accomplished; the bill depriving silver of its legal-tender quality was passed without ever being read; its reading was demanded by such sterling democrats as our present Speaker, Mr. KERR, and Mr. HOLMAN, but it was refused. I do not use too strong language when I say it was passed by fraud, tyrannical power, and deceit. One of the authors

of this deed is dead and the other sick; therefore I say no more, but embody in my remarks the proceedings of Congress on May 27, 1872, and can be found of that date in the CONGRESSIONAL GLOBE, and on page 3883, and is as follows:

Mr. HOLMAN. I suppose it is intended to have the bill read before it is put into its passage.

The SPEAKER. The substitute will be read.

Mr. HOOPER, of Massachusetts. I hope not. It is a long bill, and those who are interested in it are perfectly familiar with its provisions.

Mr. KERR. The rules cannot be suspended so as to dispense with the reading of the bill.

The SPEAKER. They can be.

Mr. KERR. I want the House to understand that it is attempted to put through this bill without being read.

The SPEAKER. Does the gentleman from Massachusetts [Mr. Hooper] move that the reading of the bill be dispensed with?

Mr. HOOPER, of Massachusetts. I will so frame my motion to suspend the rules that it will dispense with the reading of the bill.

The SPEAKER. The gentleman from Massachusetts moves that the rules be suspended and that the bill pass, the reading thereof being dispensed with.

Mr. RANDALL. Cannot we have a division of that motion?

The SPEAKER. A motion to suspend the rules cannot be divided.

Mr. RANDALL. I should like to have the bill read, although I am willing that the rules shall be suspended as to the passage of the bill.

The question was put on suspending the rules and passing the bill without reading; and (two-thirds not voting therefor) the rules were not suspended.

Mr. HOOPER, of Massachusetts. I now move that the rules be suspended and the substitute for the bill in relation to mints and coinage passed; and I ask that the substitute be read.

The Clerk began to read the substitute.

Mr. BROOKS. Is that the original bill?

The SPEAKER. The motion of the gentleman from Massachusetts [Mr. Hooper] applies to the substitute, and that on which the House is called to act is being read.

Mr. BROOKS. As there is to be no debate, the only chance we have to know what we are doing is to have both the bill and the substitute read.

The SPEAKER. The motion of the gentleman from Massachusetts being to suspend the rules and pass the substitute, it gives no choice between the two bills. The House must either pass the substitute or none.

Mr. BROOKS. How can we choose between the original bill and the substitute unless we hear them both read?

The SPEAKER. The gentleman can vote "ay" or "no" on the question whether this substitute shall be passed.

Mr. BROOKS. I am very much in the habit of voting "no" when I do not know what is going on.

Mr. HOLMAN. Before the question is taken upon suspending the rules and passing the bill, I hope the gentleman from Massachusetts will explain the leading changes made by this bill in the existing law, especially in reference to the coinage. It would seem that all the small coinage of the country is intended to be re-coined.

Mr. HOOPER, of Massachusetts. This bill makes no changes in the existing law in that regard. It does not require the recoinage of the small coins.

The question being taken on the motion of Mr. Hooper, of Massachusetts, to suspend the rules and pass the bill, it was agreed to; there being—ayes 110, noes 13.

From which it will be seen that Mr. HOLMAN used the following language:

Mr. HOLMAN. I suppose it is intended to have the bill read before it is put on passage.

Mr. HOOPER. I hope not.

Whereupon Mr. KERR said:

The rules cannot be suspended so as to dispense with the reading of the bill.

Whereupon the Speaker (then Mr. Blaine) said:

They can be.

And the bill was passed without ever being read.

Mr. Speaker, I appeal to all liberty-loving, fair-dealing men on this floor and through them to every American citizen if they will tolerate such a high-handed outrage. Silver at that time constituted about one-half of the coin of this country and of the world, and nearly one-half of all the silver produced in the world is the product of the United States. Yet we see by the assistance of a republican Speaker a republican House passed an act driving it out of circulation by one fell swoop, and would not even allow the bill to be read. Why are we sent here? Why do we occupy these seats? Is it to be compelled to enact laws without their ever being read? Is this the kind of deliberative body we have? Will the American people tolerate such high-handed measures?

Is it then any wonder that there is such a cry of hard times all over the land? Return to specie payments with one-half of your specie surreptitiously legislated out of existence! The whole people feel and feel grievously this monetary pressure; they feel the scarcity of money, and all wonder why it is so, but few know the real cause. Prices of all articles are regulated by the scarcity or abundance of coin. As I said heretofore, it is estimated that the gold and silver coin of the world are about equal in value. Is there any plainer proposition than that if you destroy one-half of it you thereby reduce by one-half the value or price of every article; the merchant's goods, the real estate, the farmer's wheat and corn, the grazier's cattle, and laborer's wages? It has been charged upon the floor of this House, and not denied, that this bill demonetizing silver was drawn up by an Englishman. We know one thing, that very soon after silver was demonetized in this country the same policy was adopted in Germany and England. In 1873 silver was demonetized, one-half of our coin practically destroyed. In 1873 the financial panic came upon us like a fire-bell in the night. Comment is unnecessary. In 1875 the resumption act was passed, the panic had spread, and dismay and distress are seen and felt all over our fair land.

On February 11, 1876, on the floor of this House, Mr. Blaine, when speaking for another purpose, unwittingly told the truth of the great cause of all our troubles. He used the following language:

In other words, what we most need as the outgrowth of legislation is confidence, public and private, general and individual.

In other words, the cause of all our trouble is want of confidence, want of confidence public and private, general and individual; want of confidence in the national Legislature, want of confidence in the Executive, heads of Departments, and their subordinates.

The same gentleman said:

Why, Mr. Chairman, it is hardly an exaggeration that ever since the Government was compelled to resort to irredeemable currency during the war the assembling of Congress and its continuance in session have been the most disturbing elements in the business of the country. It is literally true, no man can tell what a day may bring forth.

Mark the words: "The assembling of Congress and its continuance in session have been the most disturbing elements in the business of the country." But during all this time the republican party had absolute control of both Houses, and a great portion of the time a two-thirds vote. The democratic party declared the issuance of legal-tenders unconstitutional and unnecessary. For saying so we were denounced as "disloyal," "copperheads," "rebels."

Now these same authors of that act themselves denounce it as "irredeemable trash." You forced it upon the people at its gold value, and now when the people have it and it is all they have you seek by every means to depreciate it and make it valueless. Is there not cause for want of confidence? But a short time ago when the Supreme Court had decided the legal-tenders unconstitutional, your party and your President were so much enamored of what you now call "irredeemable trash," that you packed the Supreme Court so as to change that decision. Again the same gentleman says:

When we had one hundred and fifty millions of legal-tender in circulation, it stood for a long while nearly at par with gold. As the issue increased in amount the depreciation was very rapid, and at the time we fixed the four-hundred-million limit, that whole vast sum had less purchasing power in exchange for lands, or houses, or merchandise than the hundred and fifty millions had two years before. In the spring of 1862, \$150,000,000 of legal-tender would buy in the market \$147,000,000 in gold coin. In June, 1864, \$400,000,000 of legal-tenders would buy only \$140,000,000 in gold coin.

But what party was in power? Who made the change? What party is responsible for issuing \$400,000,000 legal-tenders when that \$400,000,000 would not purchase as much as the \$150,000,000 already out? Who is responsible for this squandering of \$250,000,000, which together with its interest would to-day amount to \$436,000,000, or one-fifth of the whole national debt? Is there any wonder there is a want of confidence?

Further on he says:

When the first three hundred millions of legal-tenders were issued, they could be funded at the option of the holder in 5.20 bonds in sums of \$50 and any multiple thereof. This provision gave a fixed, determinate character to the legal-tender, connected it with other Government issues by an equated value, made it an integral part of our whole system of public credit, and established it, in short, as a sort of balance-wheel to our somewhat complicated financial machinery. So long as that provision was in force the money of the people was precisely as good and just the same as the money of the bondholder. By a mistaken policy, as I venture to affirm, this section of the law, on the request of Secretary Chase, was repealed after due notice given, and the moment that was done the legal-tender became a sort of financial orphan among us; it had thenceforward no connection or relationship with any other issue by the Government; it measured nothing itself and was measured by nothing, and ever since that day it has had to fight its own battle, not merely unaided by other forms of public credit, but in a sense constantly hindered by them.

He says so long as that provision (the convertibility clause) was in force the money of the people was precisely as good and just the same as the money of the bondholders; but who, what party made the change, made the money of the bondholder better than that of the people? Then I ask again is there any wonder that there is a want of confidence in your party by these people whose Representatives you are, whose money you have by your legislation made worth less than the money of the German and English bond-holders?

And so we might continue from Congress to Congress and we would see that nearly all the legislation has been in the interest of the bondholder and against the people. There have been constant changes and fluctuations of policy, so that no one knows what a day may bring forth.

But I must pass on.

Another one of the great causes of the present depressed condition of the country is the unparalleled extravagance of the Administration. On pages 11 and 12 of the report of the Secretary of the Treasury we find the net ordinary receipts in the Treasury were as follows:

In the fiscal year—

1865.....	\$392,031,158 19
1866.....	519,949,564 38
1867.....	462,846,672 92
1868.....	376,434,453 82
1869.....	357,188,256 09
1870.....	395,959,833 87
1871.....	374,431,104 94
1872.....	364,684,229 91
1873.....	322,177,673 78
1874.....	299,941,080 84
1875.....	294,020,771 41

Total ..... 4,078,674,217 15

Which gives us in gross as the net ordinary receipts for these eleven years the enormous sum of \$4,079,674,217.15. And now if we add \$297,450,145.14, the estimate of the Secretary of the Treasury as the net ordinary receipts for the fiscal year ending June 30, 1876, we have \$4,376,130,362.29 as the net ordinary receipts in the Treasury in the last twelve years.



By the same report, on page 8, we are told that the public debt of the United States was, in 1865, \$2,680,647,869.72, and by the last monthly statement of the public debt published by the present Secretary of the Treasury we are told that the public debt of the United States was, on June 30, 1876, \$2,203,550,345.31, which shows that during these twelve years the public debt has been diminished only \$477,097,524.43, while during the same period there has been wrung from the hard earnings of the people \$4,377,130,362.29. What has become of the other \$3,900,032,827.86? By these figures, taken from the report of the Secretary of the Treasury, we find that during these twelve years there has been received into the Treasury \$1,696,482,492.55 more than the whole debt was in 1865, and yet we are in debt over two thousand millions of dollars!

Is there any wonder there is a want of confidence? Is there any wonder that there is a cry all over the land for retrenchment and reform?

But some may say that part of the year 1865 was during the war, and that the debt had not reached its maximum until 1866. So be it. Let us see, then, how the matter stands since the war. The same report shows that, leaving out the year 1865, we have received since that period, in a time of profound peace, \$4,055,099,204.10, and the debt was only reduced \$569,685,878.38, leaving a balance of receipts over expenditures since the war of \$3,485,413,375.72 after subtracting the reduction of the public debt, and yet we are in debt over two thousand millions of dollars.

By the same report, on page 14, we find our expenditures for the Army in 1860 were only \$16,472,202.72; in 1875, for the same purpose, \$41,120,645.98. In 1860, for the Navy, \$11,514,649.83; in 1874, for the same purpose, \$30,932,587.42. The gross expenditures for all purposes in 1860 were only \$77,055,125.64. Yet further, as shown by the same report, the net ordinary expenditures of the Government from 1791 to 1860 inclusive, in a period of seventy years, the net ordinary expenditures of the Government were \$1,524,848,412.43, and from 1867 to 1875, a period of only nine years, the net ordinary expenses were \$1,664,703,838.02. In neither case are included in these expenditures either interest on public debt, pensions, premiums, or expenditures for Indians, the War, or Navy Department. The figures are startling. But I must hurry on to a close.

During the short space I have had a seat on this floor I have seen five United States judges driven from their offices by fear of impeachment; our country disgraced through our representative at the last Vienna exposition; our minister to one of the proudest courts in the world forced to resign and now censured by the House of Representatives; the President's Private Secretary now unanswerable to our civil courts for misdeeds of a high character, and last, a Cabinet minister impeached for high crimes and misdemeanors and only escaping conviction and punishment by alleged want of jurisdiction.

Are not these things sufficient to bring the blush to the cheek of every American proud of his country? Are they not enough to cause "the ears of those who hear it tingle and the eyes of those who have seen it weep drops of blood?" Is it not high time that every honest man, every patriot, regardless of party, should give himself up for the approaching political battle for economy, purity, and good government? For "whatsoever things are true, whatsoever things are honest, whatsoever things are just, whatsoever things are pure, whatsoever things are of good report," are involved in the issue. If the spirits of the departed take notice of what is transpiring upon this earth, I believe Washington and his compatriots in arms are looking down upon us in this struggle and will bid us Godspeed.

Why the South is Democratic.

## SPEECH OF HON. W. B. SPENCER, OF LOUISIANA,

IN THE HOUSE OF REPRESENTATIVES,

August 12, 1876,

On the reason why the South is democratic.

MR. SPENCER. Mr. Speaker, the gravest sin charged upon the people of the South by the republican party seems to be that they vote the democratic ticket. This is "the head and front of" our "offending." We can be forgiven any and all other transgressions but this one. That is the unpardonable sin for which there is no atonement. To expiate that transgression the South has been doomed to a slow but never-ending death. Her industries have been crushed, her future darkened, and people plundered by a hungry horde of avaricious adventurers. The sanctuaries of justice have been debased and corrupted, and liberty has become a mockery in some of her States.

Now these facts lead me to inquire why it is, under all the pressure of these severe ordeals, that people remain fixed and determined in their adhesion to the democratic party; for if it proceeds from a high sense and conviction of duty and from fidelity to the fundamental principles of the Constitution as we understand them, surely we do not merit the severe condemnation and punishment we have received, even though we are wrong. Humanity, "thy name is frailty," may be predicated of man as well as of the gentler sex.

To the philosophic student of our political history there is plainly discernible the well-defined lines of a continuous conflict, from the origin of our Government to the present day, between two extreme and equally erroneous ideas—"centralization" and "State sovereignty;" the one aiming at what is called a strong government, with all the functions of government massed in and exercised by one great central power; the other denying even the existence of that central power, and dwarfing it into a mere agency of the States, without vitality or the power of separate and independent existence. The marks of this conflict may be found all along the line of our national history on the extremes of one and the other political parties. The first found its adherents among the extreme federalists, among the extreme whigs, among the extreme native Americans, among the extreme abolitionists, and has finally and in this day as its exponents and apostles the entire and great republican party of the country, which seeks and demands the consolidation of all governmental powers in the hands of the Federal Government.

The other, State sovereignty, found its stronghold among extremists of the democratic party. It went to the extent of denying to the Federal Government a substantive, self-sustaining, and independent existence, and declared the absolute sovereignty of the States. But this theory of the extreme democrats never obtained acceptance by the masses of the democratic party as a party, as is evidenced by the stern rebuke given by General Jackson to nullification in South Carolina. The party as a general thing has stood firmly upon the doctrine that the Federal Government, within the limits prescribed by the Constitution, was a sovereignty, a government capable of independent existence and self-protection, and that its powers could not be revoked or nullified by the States, which were to the same extent entirely dependent and subordinate, but outside of these limits independent of all Federal supremacy. As we understand it there is where the democratic party stands to-day. It demands absolute obedience and subordination of the States to the Federal Government upon every subject over which the Constitution gives it jurisdiction. But it in turn demands of the Federal Government that it abstain from the exercise over the States or people of any authority not clearly embraced and conferred by the terms of its charter.

Whenever the limitations set by the Constitution to the powers of the States or of the Federal Government are broken down, disregarded, or overstepped in either direction, it is at the peril of our existence as a nation. If the States assume a sovereignty beyond that conferred, the Union is at an end and we are held together by a rope of sand. We become a disorganized, disorderly body of petty States, warring upon each other and ending in anarchy and despotism. If the Federal Government assumes to exercise powers not conferred, and encroaches upon the legitimate domain of the States, then the Union ceases to exist, and it is a misnomer to speak of it, for there are no States to be united. So that either extreme leads to the destruction of the Union, and the one no more than the other. The middle ground between these two extremes is in this, as in all things else, the only true one. And I claim that it is this middle ground, this solid and only basis of the Union, upon which the democratic party of to-day stands. True, there may be, and doubtless are, many men claiming to be democrats and acting with them who assert the extreme doctrine of State sovereignty; but they do not represent or speak for the democracy as a party. And I here declare that I have no more respect for the opinions of an extreme State sovereignty democrat than I have for those of an orthodox republican. Both tend to the destruction of the Union, and indirectly, but by opposite processes, to the subversion of free government.

The republican party came into life denouncing the Constitution as "a covenant with death and a league with hell," and was promptly met by its old opponent, State sovereignty. And as a consequence of those two false theories came the war "and all our woe." The result of the war, the last and final arbiter, the *ultima ratio*, was the total annihilation of the State sovereignty theory. But unfortunately this victory was achieved by the opposite extreme, the theory of centralization and consolidation, under which States lose all but their autonomy, become mere subdivisions or departments of a grand central power having and exercising unlimited authority.

But as I said, if the doctrine of State sovereignty has been effectually killed by the war, and fortunately forever eliminated from our politics, its antagonist and antipode, centralization, is very far from dead. It has to-day as its exponent the republican party, a party that has been prolific of great men and characterized by an energy and coherency, an ability and audacity which will fit it for the work of revolutionizing the fundamental principles of our Government. Under its matured and developed existence, it has not hesitated to lay its mailed hand upon the most sacred provisions of the bill of rights and to trample under foot every right reserved by the Constitution to the States or people. In time of peace even it has set up military commissions for the trial of citizens, it has suspended the writ of *habeas corpus*, it has overcome the civil by the military power, it has by military order set up and abolished State governments, it has by force dispersed Legislatures, and sent its mailed warriors to clank their swords in State capitols and to drag from their seats obnoxious members of the Legislature. It has placed the military in the hands of its party leaders to raid upon and terrorize over its opponents, without warrant or legal process. Judging the republican party by its acts for the past ten years, its theory and practice totally abolished State existence. It has made fidelity and adhesion to its tenets

and practices not only the test of official patronage, but that of loyalty to the Constitution itself. Measured by its dogmas as interpreted by its practices, there is no patriotism, no virtue outside of its charmed circle. In its eyes the Hancock, the McClellans, the Custers, the Bannings, the Walkers, and even my maimed friend from Ohio [General Rice] are double-dyed rebels and traitors. In vain these gallant men point to their records and heroism in the cause of the Union. In vain they periled their lives in the fore-front of battle. They are not loyal to the republican party and are therefore necessarily false to their country.

For them no minstrel raptures swell;  
And, doubly dying, shall go down  
To the vile dust from whence they sprang,  
Unwept, unhonored, and unsung.

But not only has that party made adhesion to its tenets the test of loyalty to the Government, but as a necessary sequence it has made fidelity to its chiefs the test of republican faith, and thereby dwarfed and metamorphosed the Government of the Constitution into a mere personal appendage of the President and his favorites. A man's fitness for office now is determined, not by the obsolete formula, "Is he capable and is he honest?" but by this, "Is he loyal to the republican party, and especially does he bear true faith and allegiance to the President and his boon companions? Is he willing to wear the Executive collar inscribed:

"I am his highness's dog at Kew;  
Pray tell me, sir, whose dog are you?"

If he is unwilling to wear or even reative under this Executive badge of ownership, the flat goes forth:

Off with his head! so much for Buckingham!

But this fealty is expected and due not only to the party and its chief, but to the boon companions and choice spirits of the White House; to its Babcocks, its Harringtons, its Shepherds. No orthodox republican dares to rise in his place on this floor and raise his voice in protest or condemnation of any of those archangel republicans who stand nearest the throne. The sad consequences of such temerity are too fresh and green in their memories to warrant the boldest spirit to try the hazardous experiment.

"But yesterday the name of Bristow might have stood against the world," but he dared to lay his hands on the anointed, and "Now lies he there, with none so poor to do him reverence." Jewell, Pratt, Wilson, Yaryan, a noble line of martyrs, lie headless at the feet of the martial Babcock and the jovial Shepherd. Rash men! knew ye not the "true princes? Instinct should have taught ye better."

But some of the more restive spirits of the republican party say this is not republicanism, but Grantism. Ah! but Grantism is the natural-born child of republicanism, its normal development and legitimate offspring. Strike down the safeguards of the Constitution, prostrate the reserved rights of the States and people to the Federal power, and you have for result an irresponsible personal government run in the interest of individuals, rings, and jobs. As a further result you have fealty to the chiefs as the basis of all political preferment, and as a consequence the Government is administered, not as a great public trust, but as a mere personal estate, held and given as private benefit. It would be impossible for me within the limited time I have allotted to me to go into a general enumeration of the sad and deplorable consequences of republicanism as developed into Grantism. I shall confine my remarks to a few of its results upon such of the Southern States as have not escaped from its baleful influences.

One of its immediate and most apparent results is to dwarf and emasculate the State governments, and to render them mere dependencies of the dominant party. Their governors become mere henchmen of the President, mere satraps of the central power, without virility or individuality. What more shameful spectacle can be presented than that of Chamberlain and Kellogg to-day. Ostensibly they are the heads and governors of great Commonwealths, supplied with all the appliances and machinery of legislative, executive, and judicial power necessary to separate existence and self-preservation, while in reality they are the mere puppets of the Administration, carrying on, encouraging, and fostering a deliberate plan to stir up strife and bloodshed. Is a crime committed within their State, they, without seeking or desiring to bring the perpetrator to justice, rush off at break-neck speed to their master at Washington, and crouching at his imperial feet, proceed to whine out their doleful tales. Shame upon such paltriness for partisan ends. They are actually engaged in a brokerage of crime, and are never so happy as when they can rehearse to their master some fearful tale of blood. They gloat over the slaughter of their poor deluded colored followers, and offer them up with the sublime devotion of an enthusiast upon the altar of political success. To incite, encourage, and stimulate hatred and strife between the white and colored people of their States is their dearest wish and constant occupation. It is the chief stock in trade of their masters; it is the forlorn-hope of the republican party. Eliminate the bloody shirt from the republican campaign, and there is nothing left with which to fire the northern heart, except the party's corruption, rings, and jobs, and business prostration and financial distress at home and national dishonor abroad.

Under the pretense of protecting him against the violence and intimidation of the whites, the republican party through its southern

emissaries keep the poor colored man under moral and even physical duress that is little short of moral and political slavery. It claims the negro as its own, body and soul, by divine indefeasible right. He has no right of choice, no election. His ticket is put into his hand by his republican master, and he is expected and required to vote it. His imagination is inflamed and excited by most horrible pictures of the dire purposes of his employer, of the man who feeds and clothes and shelters him; of the man who, when he is sick, attends and ministers to him. His fears are worked upon until the poor negro is finally led to believe that the good man from whose hand he has received so many kindnesses is politically a kind of "goblin damned." If these moral influences fail to impress sufficiently the poor dupe, resort is had to the physical dangers of the "Union League" and "Union Rights Stop." Why, sir, I do not hesitate to assert that there is more coercion, more intimidation practiced upon the negro by the republican party than by all the democrats, White Leagues, and Ku-Klux put together. Hon. Mr. FOSTER, of Ohio, republican chairman of special committee of the last Congress to investigate Louisiana affairs, says that there was no intimidation of the blacks by the whites in the election of November, 1874; but that, on the contrary, it was shown that there was intimidation and coercion by the republican negroes of negroes desiring to vote the democratic ticket.

The military officer lately in command at Port Hudson, Louisiana, charged to investigate the late troubles in that region, reports to his superiors that he found in existence among the negroes there an organization styled the "Union Rights Stop," by the laws and constitution of which the penalty even of death was denounced not only upon apostates, but upon all negroes who refused for the third time to join their organization. Sir, I repeat that by artifice, falsehood, force, and fraud the republican leaders exercise a despotism and coercive power over the negroes of the South that are absolutely appalling. And all this is done under the pretext of protecting the negro from the white man. Sir, what are we to think of a party which for the sake of ascendancy will go into peaceful communities and stir up strife and hatred and bloodshed; that will deliberately and at dead of night enter your back doors when you are asleep and there organize and incite your employes and neighbors to the most deadly hatred and fear of you; that seeks to maintain itself by inflaming all the worst passion of an uneducated and impressionable race? Sir, to my mind it amounts almost to diabolism. It is that fell spirit which drove Satan to prefer "reigning in hell to serving in heaven." But, sir, it also shows, thank God, the desperate straits to which the party is driven to save itself. The seal of public condemnation is upon it. The handwriting is upon the wall, and it is wildly, madly seeking a place to shelter itself from the storm of indignation that it sees rolling its dark clouds up the horizon. It flies to "southern outrages" as its last and only refuge. The people of this mighty nation has arisen and is sitting in judgment upon its deeds. The poor culprit stands shivering before its judges. In response to every inquiry as to its doing for the past ten years it wildly shouts "Southern outrages." In vain you ask it why it has fostered and fed its pets, its Belknap, Babcocks, Shepherds, *et id omne genus*, out of the public Treasury. Its only response is "Southern outrages." When you arraign it for its whisky frauds, its Indian rings, its Navy and railroad jobs, and its wanton squandering of the public moneys, it incoherently but vociferously shouts back "Southern outrages!" This cry is its only stock in trade. Take that from it, and you not only rob it of its last shelter, but you take away its meat and its drink. Whenever an election is to be carried or a fraud to be covered up, then every breeze that sweeps from the South comes laden with the sighs and groans of the dead and dying. The republican leaders proceed "to hang their harps upon the willows," and will not longer "sing the songs of Zion," but wrap themselves in sackcloth and ashes, and proceed to fire the northern heart with an lliad of woes. Long lines of Ku-Klux, with horns and hoofs and forked tails, are made to parade in solemn procession before the imaginations of their auditors; and one would suppose that suddenly the green fields and undulating hills of the South were emitting the sulphurous fumes of perdition and that her people, suddenly transformed into demons, were holding a saturnalia of blood. Thank God, too, that they have flaunted the bloody shirt until it has got so threadbare and so thin that everybody can see through it.

To one born and reared and living always in the South, as I have been, intimately familiar with white and black races there, and knowing, as I do, the feelings and sentiments of the whites toward the blacks, it seems almost incredible, it is absolutely astounding, to hear the horrible stories that are current here and unheard of there. Sir, I stand here to-day and represent the largest and most populous colored district in the State of Louisiana; and here in my place I assert, without fear of contradiction, that the only intimidation ever practiced in the fourteen parishes composing that district by white men for election purposes was in the fall of 1874, when United States troops, under charge of Marshal Packard's deputies, who were armed with quires of warrants issued in blank by United States commissioners, rode and raided over the parishes of Union, Claiborne, Jackson, and Lincoln, arresting, handcuffing, and dragging from their homes and families at dead of night their best and most peaceful citizens, without the shadow of an affidavit or charge against them, except such charge as Deputy Marshal Edgar Selye saw fit to fill into his blank and, as he swears, forged warrants.



Sir, I appeal to you and to all honorable men of whatever party to take this home to yourselves. Let Mr. Grant, under the lead of wicked, vindictive men like Packard, bent upon your humiliation and degradation, turn his troopers loose upon you. Let them raid at night through your rural districts, without warrant and without law, dragging your oldest and best citizens from their beds, handcuffing them, and spiriting them away from home and friends! Sir, what would the people of Ohio say to that? Would not there go up from your midst a thunder-burst of indignation that would shake the continent? Ah! but have you not the manhood to sympathize with the poor, plundered people of the South who have suffered and will suffer again all this, for no crime except that they will not vote the republican ticket? Will you longer heed the misrepresentations and slanders of the southern people by the bad men who through you hope to continue their lease of power and plunder in the South? From now till the election they will fill the air with their cries of "blood," "murder," and "outrage." Will you believe them? Let us reason together. Let us look at the facts.

Why is there peace between the races in Virginia, and Tennessee, and Kentucky, and Missouri, and Arkansas, and Georgia, and Alabama? There the colored man is peaceful, and in the full enjoyment of all his rights; and yet he is living with the same rebels and traitors, (as we are fondly called.) I will tell you why. Because the bad men who make their living by stirring up strife between the races have there lost their influence with the colored man; because the colored man has found by actual experience the falsehoods and deceptions practiced upon him; because his mind has been disabused of the idea so sedulously inculcated in him that we want to re-enslave him or deprive him of his rights. And this, too, is the reason why Alabama in her late election rolls up a majority of 40,000 for Governor Houston. It is not because the black man has been intimidated, as Mr. Senator SPENCER is pleased to suggest; but is because he is freed and emancipated from that hideous dread and fear which have oppressed him for years, and because he has exercised his rights like a freeman, for his own good. Why is it not just as rational and natural that I, who employ and feed, clothe and shelter these people should exercise a controlling influence over them in politics, and that they should trust me in that as they do in all other of the concerns of life, as it is that your operatives should be influenced and controlled by their employers? As a general rule, is not the employer the more intelligent and is there not generally an identity of political interest between them? Will not legislation and administration which enhance the benefits of the employer generally advantage the employé?

Sir, if left alone to ourselves, to the operation of natural laws and normal conditions, there is and can be no antagonism between the races in the South. Why not then for once give non-intervention a fair trial; especially as the efforts of constant interference by the Federal Government have proved so unavailing; and especially as, in those States where Federal interference has ceased, peace and order and good feeling prevail, and the colored man has the full measure of his rights?

Ah, sir, I will tell you why the strife must go on. The republican party cannot afford to have peace in the South; it does not intend that there shall be peace there. Already the notes of preparation can be heard; already Marshal Packard is marshaling the military to secure his own elevation as governor of Louisiana. He is longing for blood, and carnage, and outrage. The heartless declaration of Ex-Governor Ames that the blood of twenty or thirty colored men would be of service to the republican party meets an enthusiastic response in the loyal bosoms of Kellogg, and Chamberlain, and Packard. These desperate men are expected and required to manufacture and get up ammunition for the northern campaign. Without that staple production of carpet-bag governments, "southern outrages," the republican party is flat broke; its sinews of war are gone, for it cannot look an honest constituency in the face and say that it has faithfully administered the great public trust committed to it.

Sir, since the close of the war the whole policy and practice of the republican party toward the people of the South has been ungenerous. Why? Simply because that people have, in the exercise of the undoubted right of every free American citizen, differed with it politically. This is the only crime of which we have been guilty. This is manifest from the course of that party toward men of the South like Longstreet, Holden, and others who have washed away the sins of rebellion by a profession of faith in the redeeming powers of the republican party. Though a southern man's sins "be as scarlet," join the republican party, and they shall be made "white as snow." Every sin, every shortcoming is washed away by republican baptism; but woe to the poor wretch who does not receive republican absolution. Better he had never been born! For he is only

Fit for treasons, stratagems, and spoils:  
The motions of his soul are dull as night,  
And his affections dark as Erebus:  
Let no such man be trusted!

Sir, the people of the South want peace. They want reconciliation with their northern brothers. They love the Constitution and revere its memories. They believe before God that the democratic party truly represents the spirit and intent of that great charter of liberty. They believe that the republican party does not; that it tends to centralization and to the destruction of fundamental principles. They believe that the bad governments of the South are the normal

developments of that personal government which has grown up under the republican party. This is why we vote the democratic ticket. We do it from conviction and a high sense of duty, not from any animosity or hostility to the men who compose the republican party. I here state that many of my warmest and dearest personal friends in the South are republicans, white men who have come there since the war to cast their lot with us; men who are as ardent and doubtless as honest in their political convictions as I am. I stand here as the Representative of many of them, and I am proud to say, too, as the Representative and choice of at least four thousand colored voters of my district. If I were conscious of harboring in my heart any wish, any desire, to do them wrong, to deprive them of a single constitutional, legal, or civil right, I would pray God to paley the arm I raised to strike them.

Sir, leave the people of those States where you leave the people of the other States, to settle their own home affairs. Withdraw your troops, and call back the emissaries who are among us inciting the colored man to hatred of his white neighbor. Leave the negro free to vote with the whites if he wishes, and, sir, you will have laid the foundations of permanent peace and prosperity for the unhappy South, and you will have placed the rights and liberties of the colored man upon the only safe and firm basis on which they can rest—the goodwill, the self-interest of the dominant race.

#### Reduction of Expenditures.

### SPEECH OF WILLIAM R. MORRISON, OF ILLINOIS,

#### IN THE HOUSE OF REPRESENTATIVES,

August 10, 1876,

On reduction of the expenditures of the Government.

Mr. MORRISON. Mr. Speaker, the report just made, and others to be made which have been substantially agreed upon, ends for the session our efforts to reduce expenditures, so well begun and so faithfully adhered to by the chairman [Mr. RANDALL] and his associates of the Committee on Appropriations. The result is a reduction of \$29,944,252 below appropriations of last year and \$55,380,650 below the estimates and amounts asked for by the Departments. (1.) This annual saving continued from year to year, and placed at the highest rate of interest now paid by the Government, will pay off the principal of its whole interest-bearing debt in twenty-five years. This admonishes us of the necessity for the strictest economy and frugality in the administration of the Government.

Economy is but another name for honesty in public affairs, while extravagance in civil administration means neither more nor less than dishonesty, and as surely leads to debauchery and corruption. Money taken from the public and given to those who have not earned it is taken no less wrongfully with than without the forms of law. "Hard times" have overtaken us. Money will buy more labor and more of the products of labor now than during the war and many years thereafter. This has been recognized and conformed to in all private business avocations and employments by the reduction of the wages of labor and the prices of its products. We have insisted and do insist upon recognizing the fact in public employments. Since the profits and earnings of those who pay the taxes have fallen off we have insisted and do insist there shall be some reduction in the earnings of those who live from and consume them.

The appropriation bills passed and agreed upon result in the discharge of seven hundred and sixty-five persons now needlessly kept in the pay of the Government, and an annual saving, as already stated, of nearly thirty millions. Hereafter it is believed the one test as to the true amount of appropriations will be the just and economic needs of the public service. These reductions will be permanent and will be followed by others which can be made whenever we can have the co-operation of the other branches and Departments of the Government. The reductions made are of course but for a single year, but it will be long before any House of Representatives assembles here reckless enough to increase them. Such increase can only be secured by returning here a majority of our political opponents who have so earnestly resisted these reductions.

The return of such a majority sends us back to our seats at the next session beaten, rebuked, and virtually instructed to undo our work; instructed to restore appropriations and expenditures to the scale from which we have reduced them; and instructed to join those who have resisted us in their discharge in calling back the seven hundred and sixty-five useless employes to be maintained at the public expense.

In justification of the rate of expenditure and retention upon the pay-rolls of employes unnecessary to the public service it is asserted here and elsewhere that under the present Administration there has been an average annual reduction in the ordinary Government expenditures of \$10,000,000. The assertion is incorrect and untrue. The ordinary yearly expenditure, not including interest on the public debt and pensions, was at the commencement of President Grant's administration \$160,146,354. That was the amount of expenditure

for the year ending June 30, 1869, which included the last eight months of President Johnson's and the first four months of President Grant's administration. An inquiry as to the amounts of annual expenditure will show a reduction and saving in the first years of President Grant's first term, so that the annual cost of administration had fallen from one hundred and sixty millions in 1869 to one hundred and twenty-four millions in 1872. Once safely tided over the election of 1872 by the promise of an honest, frugal, and economical administration which the reduction of 1869 to 1872 gave the people, this party of promises never kept re-established its former high rate of expenditure; and the yearly rate, which had fallen from \$160,000,000 in 1869 to \$124,000,000 in 1872, went up to \$165,000,000 in 1874, or five millions above the rate at the commencement of President Grant's first term. This breach of faith on the part of our political opponents was rebuked by the election of this House of Representatives, and at once, in the last session of last Congress, they began to reduce expenditures which at the end of last year were still six millions above the expenditures of five years ago. The average annual expenditure during the first seven years of this Administration, ending with June last, was \$138,876,033, or \$21,270,321 below the rate at its inauguration; an annual reduction of \$3,038,617—not \$9,000,000 as so often asserted here and elsewhere.

Another mode by which those who are compelled to defend and justify wasteful expenditure is to charge as the result of the war what is in fact the result of bad administration. However much the expenditures are in excess of the demands of a just economy, that much they charge to the war. Voluminous tables are introduced here and sent to the country and called "official data;" they are so called, I suppose, because prepared by a Treasury official; but it must be remembered that besides being a Treasury official the gentleman who prepared these tables is also a republican politician, and that in this latter character he prepared the tables. It is attempted to be shown by the tables so prepared that the ordinary expenditure of the Government was actually less to the person in 1875 than in 1860 and 1861.

In his speech made here February 24, 1875, (see CONGRESSIONAL RECORD volume 2, page 1703) the gentleman from Ohio, [Mr. GARFIELD,] who never credits less to his party than belongs to it, said:

The interest on the public debt, the pensions, the back pay and bounties of volunteers, and all that goes to make up the expenses which the war made necessary, even yet make nearly 54 per cent. of the total expenses of the Government.

As we get away from the war the expenditures growing out of it fall off, and a careful analysis of the expenditures for the year 1875 will show that items so chargeable amount to 44 per cent. of the whole expenditure, which would reduce the ordinary expenditure for that year to \$144,000,000; but admitting all that was claimed by the gentleman from Ohio, [Mr. GARFIELD,] nearly 4 per cent. for expenditure growing out of the war and the ordinary expenditure for that year, none of it chargeable to that account, still amount to the sum of \$126,326,760. This is about \$5,000,000 more than double as much as in 1861, and unless "official data" can be obtained from which it will appear that our forty-four millions of people in 1875 are double as many as thirty-one millions in 1860 the assertion that our expenditures in 1875 were less to the person than in 1860-61, or less than 45 per cent. more to the person than in 1860-61, must go the way of all untruth. I append the table from which so many "official data" are extracted, showing how much more economical is the expenditure of \$274,000,000 in 1875 than \$61,000,000 in 1860. (3.) From these tables of "official data" it will appear that its author charges to the war and credits his party not only with amounts paid on account of the public debt, pensions, bounties, internal revenue, and items of expenditure rightfully so chargeable, but with \$300,000 more for reporting and printing debates and other printing for Congress; with two millions and more for salaries in Treasury, War, and Navy Departments; with \$1,400,000 for one-third of whole judiciary system; with \$1,000,000 and more for postage in lieu of the franking privilege; with \$1,400,000 and more for money expended and wasted in this District; with \$12,400,000 and more spent on rivers, harbors, and public buildings, and with \$4,600,000 and more difference in cost of collecting customs now and in 1860; with \$13,600,000 and more for the difference in the cost of the Army now and in 1860; with \$4,000,000 for constructing four new vessels in 1875. What had the war to do with these items of expenditure, and what must be thought of a cause which requires a resort to such means for its support?

One of my colleagues, [Mr. HURLBUT,] zealous to free his party from the charges of corruption which now overwhelm it, assisted by some tables prepared at the same place, probably by the same hand as were those to which I have just referred, has ascertained, he says, "that the nearer you come to this actual time in which we live, to this present existing much-abused administration of President Grant, the standard of honor and fidelity, as measured by the official reports becomes higher and finer." He assumes that these tables show that of the money (loans, bonds, &c., included) which came into and went out of the Treasury "the very lowest rate of losses ever reached, is in this present presidential term." When he presents the tables which shall tell us the "rate of losses" at Saint Louis, Chicago, Milwaukee, New Orleans, New York, and elsewhere, of revenues which could not be taken out, never having been in the Treasury, we may be able to judge of the correctness of his estimate "of the standard of honor and fidelity" of "this actual time in which we live." Alike

insincere with other pretenses to lead public attention away from past official misdeeds are the pretenses of dangers to be apprehended from the allowance of southern cotton and other claims.

These receive their first consideration in the Committee on War Claims of which my colleague [Mr. EDEN] is chairman.

Let us see what was said of these claims when the subject was under consideration here:

Mr. EDEN. I yield a few minutes to the gentleman from Michigan, [Mr. CONGER.] Mr. CONGER. I have but one or two words to say upon this subject. \* \* \* I am pleased to bear testimony before this House to the strictness, accuracy, and care with which every claim is examined by the Committee on War Claims, so as to bring it within the rules which I and every other gentleman of that committee require; those rules which should apply to the whole class of war claims, either in the loyal States or in the Southern States—

Mr. MILLIKEN. And the rules prescribed by law.

Mr. CONGER. And the rules prescribed by law. I take pleasure in saying here, for the committee with which I have the honor to act, that so far as I have seen there has been on the part of every member of that committee unusual care and strictness in the examination of every one of these claims. Not only have members insisted upon the observance of those rules of law which we are all bound to regard, but they have conformed to the strictest rules which I, claiming to be an extreme man in reference to the allowance of southern claims, would regard as proper. I think it due to myself as a member on this side of the House to say in answer to my friend from Ohio [Mr. NEAL] that I am satisfied the Committee on War Claims do not intend to permit any of the thousands—I do not know but I might almost say millions—of claims which have been and will be presented before that committee in this and succeeding Congresses to be reported to this House until they are brought strictly within the requirements of law. I feel satisfied that the most rigid rule must be complied with before they can be reported here.

Certainly when so ultra a partisan as the gentleman from Michigan [Mr. CONGER] bears such testimony no danger need be apprehended from the unjust allowance of any claims. Their presentation at this session is not unusual or different from other sessions, and cannot be prevented until the right of petition is denied.

Will some gentleman upon the other side of the House tell us what objectionable claims we have passed? If they cannot do this they are justly censurable for pretending a fear of that which does not exist. The gentleman from Maine [Mr. HALE] has felt it incumbent upon him to warn the country of the dangers to be apprehended from southern men and their return here, yet he and his party claim that they are here by their grace and permission.

This would seem to be no new fear with him, but assumes now only a new form. He sees them obtaining undue power in the House through the action of the Speaker in the organization.

The gentleman from New York [Mr. COX] spoiled this little piece of shamming by showing that only upon one of the standing committees is there a majority of southern men—that of Education and Labor. And to make that majority he counts as a southern man its excellent chairman, [Mr. WALKER, of Virginia,] himself a northern man and Union soldier. He [Mr. HALE] complains because, as he alleges, "The journal clerk went out under the system followed here." Mr. Barclay, the journal clerk, he then admits, "went out" (resigned) because he could not dictate to the House the retention of "certain gentlemen" with whom he was intimately associated. There was an assistant journal clerk at a salary of \$3,000, an office since dispensed with. The retention of Mr. Barclay, however intelligent and useful, at \$3,600 per annum, with an assistant at \$3,000 per annum, was still in some sense the retention of a pensioner who never bore arms. Their joint labors are now performed not less faithfully and efficiently for \$2,500 by Henry H. Smith, long an employé of the House when under republican control. He was a Union soldier in the Twenty-sixth Michigan Infantry and wounded in the service. We are satisfied, doubtless the country is satisfied, though the gentleman from Maine with all his sympathy for the soldier refuses to be comforted, because Barclay and assistant "went out" and Smith went in. Further commenting on appointments made in the organization of the House, Mr. HALE said:

Here and there individual cases attract attention and deserve mention, both as showing removals without cause and also showing the very superior order of merit introduced by the party just taking possession of the House. \* \* \* I notice them because of the claim that bad men are to be put out of office and good men put in. \* \* \* The clerk of the Committee of Ways and Means was the now rather notorious James P. Hambleton. The place is very important. The clerk possesses all the secrets of this most important committee, secrets sometimes worth hundreds of thousands of dollars to desperate men interested upon the subjects considered in the committee, which revises and re-arranges our tariff laws and all revenue laws at its pleasure.

Mr. Speaker, when I was made chairman of the Ways and Means Committee the then clerk had long acted as such by appointment of our republican friends, who have for many years controlled the organization of the House, and all that time he was in possession of its secrets, "sometimes," the gentleman from Maine tells us, "worth hundreds of thousands of dollars;" and it will be remembered, too, that it was charged that he had sold the secrets of the committee. During the Forty-second Congress it was proven by at least one witness, Mr. Colgate, of New York, that this clerk had demanded money for the secrets of the committee, or for services which he (the clerk) had rendered in the removal of brokers' taxes by a bill reported from that committee. It will be remembered, too, that evidence of a demand for money, in connection with the removal of this same tax, drove a republican United States judge from the bench, but it does not seem to have been sufficient to drive this clerk from his position. Yet I thought him an improper person for so important a trust and displaced him. In his place I appointed Dr. Hambleton upon the recommendation of gentlemen upon whom I might well rely, chiefly upon the recommendation and at the personal request of Speaker



KERR, and so informed the committee at the time. When, afterward, I ascertained his appointment was an objectionable one I displaced him as I had displaced the former clerk. Another small piece of hypocrisy is much practiced here by those who are continually bemoaning the removal of "Union soldiers." Every man of the disabled soldiers' roll who has not died or voluntarily given up his place is still here in the employ of the House. Those who were here during former Congresses, and are not now here, were elective officers and their appointees, and all republican politicians. Some have been replaced with other Union soldiers and some with soldiers of the army against whom they fought. If men who bore arms against the Government are allowed, as they have been by the gentleman from Maine and his party, (by their grace, they sometimes claim,) to enter this Hall as members it is difficult to see what greater injury can befall the country if a few of the men who did no more are allowed to open the doors.

And there is the ex-Doorkeeper, Fitzhugh. What of him? He wrote a foolish letter, showing him to be unfitted for an important trust, and we displaced him too. Now let us inquire who it was that he displaced.

It will be recollected that at the last Congress it was proven before the Ways and Means Committee and reported to the House that nearly a million of dollars had been corruptly expended in securing the mail-steamship subsidy through a law enacted by Congress; that \$4,500 of this went into the hands of the assistant doorkeeper of the republican House and a greater sum to another employé. The gentleman from Iowa [Mr. KASSON] presented the report of the committee to the House, containing among other things the following:

The committee do not recommend further action in the case of the two employes of this House who, after the passage of this act, received rewards, as shown in their evidence, being informed that both of them have resigned.

Both of them who had shared in the corruption fund we were told by this report had resigned. The assistant doorkeeper disappeared at once from his desk at the door, but there was a place from which he did not disappear until the meeting of this House, that was the pay-rolls of the officers of the House.

Here we see our republican friends, who have so much to say of clerks and doorkeepers, assuring the House and the country of the unfitness and displacement of this man and yet retaining him on the pay-rolls at a cost of \$2,000 until displaced by us of the majority nine months afterward, he rendering no services in the mean time. Will it be said that this was done by the Doorkeeper, who retained his assistant, and that our friends over the way who talk so much of the appointment of improper persons by us are not responsible for it? Why, gentlemen, you indorsed and approved it. Every man of you, including your amiable candidate for Vice-President, who presented his name as a candidate, favored the re-election of and voted for the Doorkeeper at the commencement of this session; thus indorsing and approving his retention of the corrupt assistant.

Mr. Speaker, I find no pleasure in calling attention to these bad and inexcusable acts of the minority here; but the injustice and insincerity of their criticisms of the organization of the House and of our acts and purposes generally have impelled me to say so much in explanation and justification of changes made in the organization of the House. We made some mistakes in our appointments and we speedily corrected them. It were well for the country if our republican friends could truthfully say as much.

In the matter of appropriations only could we hope to reform abuses by legislation, for only this legislation could not be postponed by the Senate. How well and faithfully have we insisted on conditions of frugality is already known. Besides this we could only expose abuses which have crept into every branch of the public service—the people must furnish the remedy for these abuses. And here again we have failed to receive the co-operation of our political opponents, who still insist through my colleague [Mr. HURLBUT]

that "in all this one single and most melancholy case of official misdoing has been undeniably made known." Let us see how they have lain across our path. When we were preparing to present that case with some consideration Mr. Blaine, with that audacity of pretension which belongs only to himself, interposed and said:

Give the case to this side of the House and we will do both very quick; we will indict him and impeach him both.

Are the Committee on the Judiciary ready to report? \* \* \* They have had five days to report and have not reported.

I say that up to this time there has been no report from the Committee on the Judiciary, giving all possible immunity to witnesses, either in general or to Marsh by name. There has been nothing initiated on that side; nothing proposed that indicates any desire or honest purpose to do that thing.

Mr. Speaker, it is now five months since we passed a bill "giving all possible immunity to witnesses" whose presence here would add many more to "this one single and most melancholy case of official misdoing." Five months ago that bill went to the Senate. Has anybody heard of it since? We did impeach him of the one solitary case, but with what result? Not guilty. Not guilty of what? Of the charge of corruption made against him? No, that was proven and confessed. Not guilty of being in office, say his judges; but he was in office when the guilt was made known. How came he out? Who let this "guilty man escape?" So ends the one case of "official misdoing" undeniably made known.

Why was this case undeniably made known by the admission of his party friends? It was because of his own admissions and only because of these. Had he denied his "official misdoing" it would have been as strenuously denied and by the same men who deny the hundreds of other cases of "official misdoing" affecting nearly every branch of the public service, as well proved as that of Belknap was proved, had he but interposed his denial.

And just here, Mr. Speaker, is the sum of our offending. We have exposed "official misdoings," receiving instead of co-operation only abuse from the minority. When this democratic House sent the gentleman from Massachusetts, [Mr. HOAR,] first and ablest among the republican members, to impeach Belknap at the bar of the Senate, he there asked that it should be done, because, said he:

I have heard the taunt from friendliest lips that when the United States presented herself in the East to take part with the civilized world in generous competition in the arts of life the only product of her institutions in which she surpassed all others beyond question was her corruption.

Mr. Speaker, this is no new declaration of the shameful fact, nor are the exposures made by us of official misdeeds at all new. The press of the country and men like Trumbull, Sumner, and Schurz proclaimed their existence and the existence of other like abuses in 1872. The Credit Mobilier frauds were denied then as all the recently exposed official peculations not confessed by the offenders are now denied. Many of those who exposed "official misdoing" in 1872 were expelled from office, and all of them from their party. This House of Representatives, because it has exposed "official misdoings," is called by those who apologize for and would conceal fraud "confederate," that the recollections of the past may impel the North to send the majority here into that political exile where Bristow and Wilson and Pratt and every man who has dared to expose official fraud or approve their exposure has already gone.

May I ask when and how is this corruption with which friendliest lips have taunted us, as stated by the gentleman from Massachusetts, [Mr. HOAR,] and in which we surpass all other nations, to end or be ended? Will it be done by expelling from places of power and influence all those who expose and would punish it? Will it be done by a change of any one man for another—by a change from Grant to Hayes? Who of their partisans has said or will say here that the former is less honest or less able than the latter? Not one. We must have a change, not of a man, but of men, resulting in a change of system.

#### APPENDIX.

1.—Statement showing reduction in appropriations for this year below the amounts appropriated last year, and amounts asked for for this year.

Items of expenditure.	Amount appropriated last year.	Amount asked for this year by Department estimates.	Amount as passed House.	Amount as become law.	Amount of reduction below estimates for this year.	Amount below last year's appropriations.	Amount of increase made by Senate to House appropriations.
Pensions.....	\$30,000,000 00	\$29,533,500 00	\$29,533,500 00	\$29,533,500 00	.....	\$466,500 00	.....
Military Academy.....	364,740 00	437,470 00	259,231 00	290,065 00	\$147,405 00	74,675 00	\$30,834 00
Consular and diplomatic.....	1,374,985 00	1,352,485 00	919,747 50	1,156,579 50	193,905 50	216,405 50	245,830 00
Fortifications.....	850,000 00	3,408,000 00	315,000 00	315,000 00	3,093,000 00	535,000 00	.....
Legislative, executive, and judicial.....	18,992,236 99	20,836,307 00	13,998,615 61	15,373,960 00	5,462,347 00	3,328,276 99	2,375,145 00
River and harbor.....	4,043,517 50	14,301,100 00	5,873,850 00	5,000,000 00	9,301,100 00	1,643,517 50	572,850 00
Deficiencies.....	4,703,699 18	2,733,471 70	671,436 74	816,723 56	1,906,746 14	3,886,975 62	143,236 82
Post-Office.....	8,376,205 00	8,431,602 99	4,230,906 00	5,967,498 00	2,464,104 99	2,408,707 00	1,736,592 00
Naval service.....	17,001,006 40	90,871,666 40	12,433,855 40	12,740,325 40	8,131,611 00	4,900,631 00	367,500 00
Indians.....	5,360,554 55	5,787,995 60	3,979,602 11	4,670,117 02	1,117,878 58	600,437 53	600,514 91
Army.....	27,933,830 00	33,348,748 50	23,179,819 58	25,987,167 90	7,361,580 60	1,946,062 10	3,807,348 36
Sundry civil.....	26,644,350 09	32,560,475 29	14,857,326 54	16,357,905 47	16,202,569 82	10,286,444 62	1,500,378 93
Total.....	148,155,134 71	173,590,822 48	109,244,140 42	130,610,871 85	55,380,650 63	29,944,252 86	9,830,382 04

2.—Statement showing average annual expenditure and annual reduction for first seven years of General Grant's administration; also expenditures for four years of Buchanan's administration.

Administration.	Net ordinary, exclusive of premium and public debt.	Pensions.	Net ordinary, minus pensions.
<b>GRANT'S.</b>			
Year ending June 30, 1870.....	\$164,421,507	\$28,340,392	\$136,081,305
1871.....	157,583,827	34,443,894	123,139,933
1872.....	153,301,856	24,533,492	128,768,364
1873.....	150,488,636	29,359,496	121,129,140
1874.....	194,118,985	29,038,414	165,080,571
1875.....	171,529,848	29,456,216	142,073,632
1876.....	158,916,586	28,257,395	129,959,191
Average annual expenditures.....			138,876,033
<b>GRANT'S.</b>			
*1869.....	190,496,354	30,350,000	160,146,354
Deduct average annual expenditures of Grant's administration.....			138,876,033
Reduction by Grant in seven years.....			21,270,321
Or an annual reduction of.....			3,038,617
<b>BUCHANAN'S.</b>			
Year ending June 30, 1868.....	72,330,437	1,219,768	71,110,669
1869.....	66,355,950	1,222,222	65,133,728
1860.....	60,056,754	1,100,802	58,955,952
1861.....	69,616,055	1,034,599	61,581,456
Average annual expenditures.....			64,195,451

\* Eight months Johnson's last year, four months Grant's first.

3.—Tables prepared by Mr. Conant, Assistant Secretary of the Treasury, called—

"Comparison of the expenditures of 1875 with those of 1860."

Objects of expenditure.	Expenditures for fiscal year 1875.	Deductions of expenditures arising out of the rebellion, 1875.	Expenditures on peace basis, 1875.	Expenditures in 1860.
Congress.....	\$5,137,012 47	\$591,536 38		\$2,619,529 43
Executive.....	10,159,860 68	2,869,065 67		2,347,458 05
Judiciary.....	4,187,628 21	1,393,876 07		1,181,667 93
Territorial government.....	290,416 77			
Total civil list.....	19,767,918 13	4,876,478 12	\$14,891,440 01	6,143,655 41
Foreign intercourse.....	3,231,087 13	2,016,286 95	1,214,800 18	1,163,207 15
Miscellaneous.....	48,071,097 72	28,616,528 53	19,455,169 19	30,658,007 92
Indians.....	8,384,656 82		8,384,656 82	3,855,686 59
Pensions.....	29,456,216 22		29,456,216 22	
Military establishment.....	41,190,645 98	16,799,169 62	24,391,476 36	16,409,767 10
Naval establishment.....	21,497,626 27	4,991,406 34	16,506,219 93	11,513,150 19
Interest on public debt.....	103,093,544 57	103,093,544 57		3,177,314 69
Total.....	374,623,392 84	189,849,630 35	84,773,762 49	63,025,788 98
Deduct 12.675 per cent., the average premium on gold during the year, the expenditures here given being in currency while those of 1860 were in gold.....			10,745,074 40	
Deduct items which are not in reality expenditures, but which appear so by reason of the system of book-keeping in practice in the Department.....			74,028,688 09	
			4,172,570 32	1,623,380 34
			69,856,117 77	61,402,408 64
Excess of expenditures of 1875 over 1860.....			8,453,700 13	

Table showing expenditures per capita.

Year.	Population.	Expenditures.	Per capita.
1800.....	5,305,925	\$10,813,971 01	2.038
1810.....	7,230,814	8,474,753 37	1.171
1820.....	9,638,131	18,285,534 89	1.897
1830.....	12,866,020	15,142,008 26	1.176
1840.....	17,069,453	24,314,518 19	1.424
1850.....	26,191,876	40,948,383 13	1.766
1860.....	31,443,321	61,402,408 64	1.952
1870.....	38,555,983	68,684,613 92	1.781
1875, (estimated).....	40,000,000	69,856,117 77	1.746

Note.—For explanations of deductions see accompanying statements marked A to K, inclusive.

STATEMENT A.—Congress.

Reporting debates in Congress.....	\$45,625 00
Printing for Congress, including debates.....	250,587 38
Printing for Treasury Department.....	136,000 00
Printing for War Department.....	43,284 00
Printing for Interior Department.....	102,000 00
Printing for Department of Justice.....	5,100 00
	591,536 38

STATEMENT B.—Executive.

	Expenses in 1860.	Expenses in 1875.	Increase.
<b>Salaries in Treasury Department:</b>			
Office of Secretary.....	\$47,931 00	\$476,698 97	\$65,600 00
First Auditor.....	35,470 00	72,908 81	37,438 81
Second Auditor.....	35,470 00	266,583 22	231,113 22
Third Auditor.....	132,905 70	246,801 97	113,896 27
Fourth Auditor.....	27,737 80	77,097 46	49,359 66
Fifth Auditor.....	17,621 43	51,304 83	33,683 40
First Comptroller.....	98,340 00	72,454 75	44,114 75
Second Comptroller.....	26,840 00	110,926 97	84,086 97
Treasurer.....	26,751 15	414,361 44	387,610 29
Register.....	51,707 11	213,337 50	191,630 39
Comptroller of the Treasury.....		134,764 01	134,764 01
War Department and its Bureaus.....	145,584 02	972,535 17	826,951 15
Navy Department and its Bureaus.....	107,360 00	121,735 20	14,375 20
Interior Department, Pension Office.....	126,206 40	464,222 22	338,015 82
Internal Revenue Office.....			335,166 80
			2,889,065 67

STATEMENT C.—Judiciary.

The expenses of courts incurred on account of internal revenue suits are estimated by the First Comptroller at one-third of the total expenditures, or.....	\$1,306,876 07
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STATEMENT D.—Foreign Intercourse.

Salaries and expenses of United States and British Claims Commission.....	2,093 25
Awards to British claimants.....	1,929,819 00
Salaries and expenses, court of commissioners of Alabama claims.....	84,374 70
	2,016,286 95

STATEMENT E.—Miscellaneous.

Payment of judgments, Court of Claims.....	516,531 35
Salaries and expenses southern claims commission.....	51,800 00
Examination of national banks and bank-note plates.....	705 75
Expenses of engraving and printing.....	1,381,669 41
Expenses of national currency.....	330,978 27
Expenses of national loan.....	2,444 47
Refunding national debt.....	150,255 51
Refunding proceeds of cotton seized.....	51,229 47
Payment for lands sold for direct taxes.....	33,920 00
Return of proceeds and expenses of collection of captured property.....	881,249 84
Refunding taxes illegally collected.....	893 00
Re-issuing national currency.....	64,244 76
Support of free schools in South Carolina.....	3,900 00
Refunding excess of duty to national banks.....	258 40
Defending suits and claims for seizure of captured property.....	26,124 00
Compensation of persons employed in insurrectionary States.....	4,068 65
Expenses of assessing and collecting internal revenue.....	5,183,513 31
Support of Freedmen's Hospital and Asylum.....	50,000 00
National Association for Relief of Colored Women and Children.....	10,000 00
Compensation in lieu of moiety.....	67,134 18
Postage in lieu of franking privilege.....	1,022,165 13

<b>Extraordinary expenses incurred for the District of Columbia:</b>			
Payment of indebtedness.....	\$1,300,000 00		
Payment of interest on 3.65 loan.....	154,554 64		
		1,454,554 64	
Public buildings and improving rivers and harbors in 1875.....	15,365,012 30		
Expended for same purposes in 1860.....	2,913,371 48		
		12,451,640 82	
Expenses of collecting revenue from customs, including revenue-cutter service, in 1875.....	8,066,678 10		
Cost for same service in 1860.....	3,324,430 53		
		4,682,247 57	
			28,616,528 53

STATEMENT F.—Pensions.

The entire amount on account of pensions is deducted, as it is not reasonable to suppose that many persons who would be entitled to the benefits of the old pension laws are now living.....	\$92,456,316 22
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STATEMENT G.—Military establishment.

Bounty under act of July 29, 1866.....	297,111 44
Traveling expenses of California volunteers and Michigan cavalry.....	12,185 15
Bureau of Refugees and Freedmen.....	34,716 20
Horses and other property lost in military service.....	83,730 68
Re-insuring States' expenses in suppressing rebellion.....	186,667 23
Claims of loyal citizens for supplies furnished during the rebellion.....	1,265,170 40
Publication of official records of the war of rebellion.....	20,000 00
Commutation of rations to prisoners of war.....	4,000 00
Stoppages or fines due National Home for Disabled Volunteers.....	911,505 12
Expenses under reconstruction acts.....	240 04
Bounty and prize money to colored soldiers and sailors.....	50,000 00
Keeping, transporting, and supplying prisoners of war.....	2,195 35
National cemeteries.....	168,869 59
Head-stones for graves in national cemeteries.....	134,989 17
Medical and Surgical History of the War.....	40,000 00
Total of claims actually paid.....	3,171,371 07



Increased expenditures of the Army in consequence of the war:			
	1860.	1875.	
Pay of the Army.....	\$3,828,924 55	\$10,870,760 39	
Commissary Department.....	2,745,102 67	2,851,334 74	
Quartermaster's Department.....	6,470,472 58	12,950,263 23	
	13,044,559 80	26,672,358 35	\$13,627,798 55
			16,799,169 62

## STATEMENT II.

The following items, which are included in the aggregate as expenditures both for the years 1860 and 1875, are deducted from each, for the reason that they are not expenditures in the true meaning of the word, as they involve no outlay of money by the Treasury and are no burden upon the tax-payers, they being merely entries on both the debit and credit side of the books (made necessary by the system of book-keeping in practice) of moneys received from persons and subsequently returned to them or expended in their behalf, namely:

Items.	1860.	1875.
Refunding excess of amounts deposited by importers for unascertained duties.....	\$814,826 87	\$1,863,657 85
Debitures and drawbacks.....	585,158 39	1,636,562 17
Refunding duties erroneously or illegally collected.....	3,821 55	9,810 93
Patent fund.....	219,573 53	672,539 37
Total.....	1,623,380 34	4,172,570 32

## STATEMENT I.—Naval establishment..

Prize-money to captors.....	842,582 22
Bounty for destruction of enemy's vessels.....	60,419 32
Payment to officers and crew of United States steamer Kearsarge..	2,040 87
Navy pensions.....	96,363 93
Extraordinary expenditures on account of construction of four new vessels.....	4,000,000 00
	4,991,406 34

## STATEMENT K.—Public debt.

Interest on the public debt.....	103,093,544 57
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## Bureau of Engraving and Printing.

## SPEECH OF HON. W. B. WILLIAMS,

OF MICHIGAN,

IN THE HOUSE OF REPRESENTATIVES,

August 14, 1876,

On the operations of the Bureau of Engraving and Printing.

Mr. W. B. WILLIAMS. Mr. Speaker, as a member of the Committee on Expenditures in the Treasury Department and of the subcommittee to whom the subject of the expenditures in the Bureau of Engraving and Printing was referred, acting in connection with the chairman of such committee, I have been very much surprised at a speech of the chairman of such committee printed in the RECORD of the 8th instant, purporting to have been made on the 29th of July, the House being in Committee of the Whole on the state of the Union for debate only. I am surprised because I had formed a very high estimate of the candor of the gentleman and of his impartiality, while the speech shows a bias in favor of certain private corporations and perhaps a prejudice against the Bureau of Engraving and Printing which cannot be accounted for by any evidence taken before the committee or by any representations made to it from the Department; in fact the gentleman in his speech practically ignores the evidence taken before the committee and very largely the reports made to the committee by the Treasury Department of the proceedings in and management of the Bureau of Engraving and Printing. For the purpose of correcting the many errors, inconsistencies, and shortcomings in the speech of the gentleman from New York, I deem it my duty as a member of the committee to present the questions submitted by him in the light in which they have appeared to me by the evidence taken before the committee and by the reports of former committees to which he has referred, and by replies to queries from this committee by the Department.

The propriety of the maintenance of the Bureau of Engraving and Printing by the Government has been frequently questioned, and a number of investigations have been made at the instigation of interests which perhaps had something to do with the speech which the gentleman from New York has made. The Bureau of Engraving and Printing is engaged in an occupation which brings it more or less in antagonism with certain private corporations, three of which are in the city of New York, and with a combined capital of \$5,000,000. At the time of the organization of this Bureau there were but two corporations or companies in the country able to do and engaged in the work of preparing and manufacturing the Government issues and securities, namely, the American and National Bank-Note Companies of New York. The exigencies of the war demanded an immediate issue of a large amount of currency to replace the coin withdrawn from circulation, and in this emergency the Government found itself at the mercy of these corporations and compelled to submit to their

exactions, as they held a perfect and well-organized monopoly of the facilities for doing this work; they were powerful corporations, acting in all respects with remarkable unanimity, and the establishment of the Bureau of Engraving and Printing in the Treasury Department has been met from the outset by a continuous antagonism on the part of these corporations for the reason, I apprehend, that it interfered with their monopoly, that it reduced their exorbitant rates, and injured their business to a large extent; and this opposition has been based upon their financial interests, and not upon the interests of the Government or of the people.

These corporations have always found representatives on this floor to look after their interests and bring their demands before committees investigating the Bureau of Engraving and Printing upon many and different classes of charges; some affecting the morality of the institution, others affecting its economy, and others affecting its honesty.

At this session of Congress no charges have been preferred against the Bureau of Engraving and Printing by any member of Congress, nor has the subject been brought up in any formal manner for our investigation; no resolution has been referred to the committee requiring the investigation by it of the relative merits of the Bureau of Engraving and Printing and the bank-note companies; but it was evident immediately after the organization of the committee that an effort was to be made in that direction. The attorney of the companies persisted in his efforts, as he has for years past, to bring about a change in the system of printing the Government securities, and propounded a series of inquiries which were received by the committee and submitted to the Treasury Department, to which replies were made. Not being satisfied with these replies, he propounded a second and additional series of inquiries, which were in a similar manner received by the committee and submitted to the Department; all of which are found in Miscellaneous Document No. 163, parts 1 and 2, of the Forty-fourth Congress. These inquiries, let it be distinctly understood, were not in any sense the inquiries of the committee or of Congress, for no resolution looking to any such action had been submitted to the committee by the House; but they were literally the questions propounded by the paid attorney of these corporations to the Government of the United States, and they received the official sanction of the committee. And thus the Government has been compelled by this official sanction, not only of this but of prior committees, to open up and expose its operation to competing corporations seeking to get the business so exposed from the control of the Government in order that they themselves may be enriched and benefited thereby! It is the old fight of Corporations *versus* The People, and in this instance a branch of the Government is struck at in which the people have deeper interests than perhaps any other which comes before Congress for consideration; that is, the protection of the currency of the country, that the people may be secured from loss by unauthorized over-issues and the circulation of counterfeits and imitations.

## THE WORKINGS OF THE BUREAU.

The gentleman starts out with a proposition somewhat sweeping in reference to a "manufacturing establishment carried on by the Government in the city of Washington, employing from fifteen hundred to two thousand persons, with a monthly pay-roll running from \$100,000 to \$150,000, with apparatus and machinery upon which there has been expended between six and seven hundred thousand dollars." This statement is not correct in regard to the pay-rolls of the "establishment." Whether it is in regard to the cost of its machinery I am not prepared to state. To illustrate: The appropriations made for the fiscal year ended June 30, 1876, for labor, &c., in the Bureau, provides an average monthly payment of \$91,581.81, distributed over the entire year, as will be seen by the following statement:

Total amounts appropriated for labor, &c., for the fiscal year ended June 30, 1876:

Office of Bureau.....	\$30,509 50
Labor and expenses.....	1,125,000 00
National currency.....	200,000 00
Deficiency.....	163,000 00
Deficiency for national currency.....	48,000 00

Total.....	1,566,509 50
Of this amount there was paid to the bank-note companies.....	467,527 77

Leaving a balance of..... 1,098,981 73

which, distributed over one year, averages a monthly payment of \$91,581.81.

I call attention to this for the purpose of showing a sample of the errors of fact running all through the speech of the gentleman from New York, in which he acknowledges and admits everything that would make against the Bureau of Engraving and Printing, while he has belittled everything that came in his path that would make for it, in the same or greater proportion than is here illustrated; for, instead of a pay-roll running from \$100,000 to \$150,000 per month the appropriation will only permit an average of about \$91,000 per month; and this year, and during the last fiscal year, the appropriations and expenses were larger than in former years in consequence of the Bureau having to print the faces and finish the national-bank currency, work which was before done by the bank-note companies; this was of course so much loss to these corporations, and it serves to renew their zeal in endeavoring to overturn and destroy the Bureau, and perhaps is the milk in the cocoanut that induced and prompted

the speech of the gentleman from New York. We find him saying in the same paragraph:

This business is not carried on by the Government, because it can do the work with greater security and economy than private parties; for the American Bank-Note Company supplied the Government long before this factory was started, and for nearly fifty years printed the securities ready for issue, and furnishes them now to several governments in Europe and to almost all those in South America.

This American Bank-Note Company to which he refers is one of his most powerful constituents, and we will find on investigation that this company has been obliged since the fifty years in which he claims that they furnished securities ready for issue for this Government and others to reduce its rates very much in consequence of the competition which this Bureau of Engraving and Printing has furnished in doing the Government work; and I claim as a matter of fact that the Bureau has saved to the Government a large percentage of its entire cost by the reduction in cost of the manufacture and production of the Government issues during the time it has been in operation. This is clearly demonstrated in the reduction of the rates paid these companies prior to and since its formation, as will appear by the following table:

Comparative statement of bids for engraving, printing, paper, &c., for \$13,000,000 United States notes.

Specifications.	Bidders.	
	American and National Companies.	Baldwin & Co.
Engraving:		
Plate.....	\$500 00	\$500 00
Retouching plate.....	250 00	250 00
Back, with title and denomination.....	300 00	300 00
Retouching title and denomination.....	100 00	100 00
For tint for face.....	150 00	
New plate and retouching for each 55,000 impressions after first up to 650,000 impressions is 10 9-11 plates.....	11,350 10	11,350 10
Printing:		
Front of 650,000 impressions, equaling \$13,000,000 in five-dollar notes, 4 to sheet, \$35 per 1,000.....	16,250 00	16,250 00
Back, \$20 per 1,000.....	13,000 00	13,000 00
Patent green on face, \$25 per 1,000.....	16,250 00	
Color, (typographical figure), \$12.50.....		8,125 00
Numbering, \$5 per 1,000.....	3,250 00	3,250 00
Paper, (half sheets,) \$11.25.....	7,312 00	7,312 00
Total.....	68,621 61	60,346 60
Average per 1,000 impressions for engraving, retouching, and printing.....	90 00	

#### PRICES IN 1869.

The issue of United States notes, series of 1869, size 8½ by 13½ inches, 4 subjects, was commenced in October, 1869, the tints and backs of the denominations from \$1 to \$10, and the backs only of the denominations from \$20 to \$1,000, being printed by the New York bank-note companies, divided as follows, namely:

The American Bank-Note Company:

For engraving, retouching, and printing:

The tints (on the face of the notes) of the \$1 and \$10, at \$22 per one thousand impressions.

The backs of the \$2 and \$5, at \$25 per one thousand impressions.

The backs of the \$20, \$50, \$100, \$500, and \$1,000, at \$22 per one thousand impressions.

The National Bank-Note Company:

For engraving, retouching, and printing:

The tints of the \$2 and \$5, at \$22 per one thousand impressions.

The backs of the \$1 and \$10, at \$25 per one thousand impressions.

#### PRICES IN 1870.

In July, 1870, the rates for engraving, retouching, and printing the above work were reduced as follows, namely:

Tints on \$1 and \$10, from \$22 to \$20 per one thousand impressions.

Backs on \$2 and \$5, from \$25 to \$23 per one thousand impressions.

Tints on \$2 and \$5, from \$22 to \$20 per one thousand impressions.

Backs on \$1 and \$10, from \$25 to \$23 per one thousand impressions.

Backs on \$20, \$50, \$100, \$500, \$1,000, from \$22 to \$20 per one thousand impressions.

The Bureau of Engraving and Printing became a necessity during the late war, not only in order that the work of preparing Government securities should be in the hands of those who were interested in maintaining the Government itself, and who were not willing to print the obligations of the confederacy as well as those of the Federal Government, but that the issues so made should be authentic and genuine. It was a favorite measure of Secretary Chase, who was then in charge of the Treasury Department, and its working has proved the correctness of his views in regard to it. It was his desire to have the entire work performed in the Bureau, but its inability at that time to do the work, the result in part of the long dependence on the bank-note companies, compelled him to adopt a different course than he was authorized to do by the act of June 11, 1862, and to divide the work between the companies and the Bureau. Secretary Chase's views have been fully approved by every one of his successors, and

the question practically is whether these more deeply interested in and connected with the Government in its operations, and whom we believe to be honest and above reproach, will be better able to judge of the interests of the Government than those who represent private corporations and interests that lie in a contrary direction, namely, the financial success of such corporations.

But it is not necessary to rely upon their judgment; the actual working here presented shows that it has been a financial success, and that theory and practice meet in the scheme for the benefit of the people and the Government; for the benefit of every bill-holder in the United States; for the benefit of every one who holds a fractional-currency note to the amount of a ten-cent piece! It is but a few years ago that after the issue of the postal currency the country was flooded with counterfeit and spurious issues of the twenty-five-cent and fifty-cent notes, and it is rare now to find one. What has brought about this change? Has it been the bank-note companies, who at that time had the sole printing of this currency, or has it been the system in the Bureau of Printing and Engraving devised to protect the people?

But the gentleman says:

This factory is for the manufacture of fractional currency, United States notes, bonds, stamps, and other securities of the United States, and is the largest engraving and printing establishment in the world.

Why should not the Government manufacture the fractional-currency notes, bonds, and stamps, and other securities which it may issue?

The report to which the gentleman refers so frequently (report No. 150, Forty-third Congress) lays down the proposition that the Government should not engage in any work that can be safely and properly done by private enterprise. It is true the Government ought not to engage in any work that can safely and properly be done by private enterprise at fair and legitimate rates, but here is precisely the question at issue; should the Government tear down its mints and divide the work of coining its bullion among private corporations? If it should not delegate the work of preparing its coined money to private enterprises, why should it delegate the work of preparing its paper obligations? They both stand on the same level; the one is no more sacred than the other, and the Government has from the days of Alexander Hamilton, in 1792, down to the present time, controlled absolutely and exclusively the work of coining the money of the nation. No person would stand on this floor and advocate a proposition to transfer the coinage of money to private hands; the people would look upon it as a dangerous innovation, as tending to prejudice and destroy confidence in the coined money of the country. And why should any different system be adopted in the preparation of the paper money of the nation? Is not the same security necessary in the latter that is necessary to protect the Government from the issue of bogus and spurious coin? Why not protect the issue of both by the same limitations?

#### ATTACKS UPON THE BUREAU.

There would, I apprehend, be no question about it were it not for the fact that these private competing corporations find their financial interests interfered with by this Bureau, and therefore they seek to overthrow it; there can always be found some person subservient to their interests who will endeavor to carry out their projects, and with the aid of their paid attorneys endeavor through the committees of Congress to accomplish their ends; and thus we see in the Forty-third Congress the subject was referred to the Committee on Banking and Currency, where the corporations evidently felt that their interests would be looked out for, while at this session it has been taken up without reference by the Committee on Expenditures in the Treasury Department.

It would seem that if the interests of the people were being impaired or affected in any manner to their injury by the action of the Bureau of Engraving and Printing, some demand would be made by them for a change. But I am not aware of any petition on the part of the people; any clamor anywhere on the part of those most deeply interested in the most secure system that can be adopted in the preparation of the Government issues in favor of any change from the Bureau; but I do find efforts constantly made by these corporations to procure it.

The first organized attack was made in the Thirty-eighth Congress and originated in a speech of the late Hon. James Brooks, of New York City, in which he made charges criminating of the chief of the Bureau, Mr. Spencer M. Clark; on this an investigation was demanded by the friends of the Bureau, which was ordered by the House. A select committee, with full and complete powers of inquiry, was organized on the 30th April, 1864, and reported on the 30th of June following, after an exhaustive investigation, being Report No. 140, first session, Fortieth Congress. Mr. GARFIELD, of Ohio, was chairman of the committee, and their conclusions they summed up as follows:

Reviewing the whole case, the committee are fully persuaded that these charges were in part the result of an effort on the part of some to break up the plan of printing in the Treasury Department, and partly the result of a conspiracy on the part of Colonel Baker and the female prostitutes associated with him, by the aid of coerced testimony, to destroy the reputation of Mr. Clark, and by the odium thus raised against the Treasury Department shield himself and justify his unauthorized arrest of one of the officers in the Printing Bureau. \* \* \* The committee therefore report that the charge made by Hon. James Brooks that the Treasury of the United States had been converted into a house of orgies and bacchanals is



wholly unwarranted by the facts, in the highest degree unjust and injurious both to the superintendent and employees in the Printing Bureau of the Treasury; that the other charge that millions and millions of the public money had been sacrificed and still more were in danger of being sacrificed by the system of printing public money now in use in the Treasury Department is not only unwarranted by the facts, but no evidence has been adduced to show that a single dollar has been fraudulently issued under the system of printing now in use. On the contrary, the plan of doing the work in the Treasury Department has facilitated the issue of the currency and very greatly reduced the cost of manufacture.

Next in order was the action taken by Congress in March, 1867, whereby a subcommittee of the Joint Select Committee on Retrenchment and Reform were charged to make thorough inquiries into the official conduct of those charged with the printing, registration, and issue of notes, bonds, and other securities of the Government. The report of the subcommittee in charge of the inquiry was made by Hon. Mr. EDMUNDS, of Vermont, on the 3d of March, 1869, after a prolonged investigation, from which they arrived at the following conclusions:

All these circumstances have satisfied the committee that methods of printing, numbering, sealing and issuing of the securities of the United States ought to be adopted which will approach the nearest to being absolutely secure against any error and fraud, even if such methods shall be more expensive than others having less guarantees of protection. And it is obvious to the committee that the highest safety is to be obtained by so conducting the work that no one or even two departments should have it in their power to finish any note, bond, or coupon; but that one part of the engraving on the securities should be printed by one establishment and a succeeding part by another entirely distinct and separate from the first, and that the final process of sealing and signing should be done by still another distinct and separate department and in the Treasury. By such methods, each under separate and distinct contract, the nearest approach possible to security will be realized. And as all these securities require two or three distinct processes of engraving and printing, and may have a distinct process of sealing and signing, there is no practical difficulty whatever in adopting such a course.

Another attack was made upon the Bureau at the first session of the Forty-third Congress by the bank-note companies of New York City by a printed memorial addressed to the Committee on Banking and Currency and signed by these companies, arraigning the Bureau upon general charges, among others that the plan of the retrenchment committee reported in 1869 by Mr. EDMUNDS had been ignored and violated by the chief of the Bureau, and that a change of system was required whereby contracts should be made with the bank-note companies. A thorough investigation of these charges was made and resulted in a majority and minority report. The majority report was submitted by Mr. PHELPS, of the committee, (report No. 150, second session Forty-third Congress,) whose conclusion, signed by five of the committee, was as follows:

1. That all the national bank notes, United States notes, and other securities of the United States, except the fractional currency, be executed with at least three printings, besides the seal printing; and that at least two of these printings be executed by responsible and experienced companies or establishments; no company or establishment executing more than one printing upon the same note or obligation.

2. That one plate-printing and the seal-printing upon all national bank notes, United States notes, and other securities of the United States be executed in the Treasury Department.

3. That the use of the so-called secret process or water-proofing in the preparation of the Government securities in the Bureau of Engraving and Printing be submitted to a commission of three disinterested and skillful persons appointed by the Secretary of the Treasury. That this commission shall investigate and decide what, if any, is the practical use of this process, and what is a fair compensation to the patentee; and whether any other process can as well or better produce the same results.

4. That the distinctive paper used in the manufacture of the United States notes shall also be used in the manufacture of the notes of the national banks.

To this was added by one member the following, with his signature:

I agree to the above, except I desire that all stamps, including postal, departmental, and revenue, should be printed in the Bureau of Engraving and Printing.

Mr. Maynard, the chairman of the committee, submitted the minority report, signed by five members, which closes as follows:

In view of all the evidence, oral and documentary, the committee believe that the establishment of the Bureau of Engraving and Printing was judicious and wise, both as a matter of safety and economy. They are satisfied that both the national Treasury and the citizen have been protected from spurious issues of currency and other securities to a degree quite impossible had they been prepared by contract with private parties. As a rule, the best work ever done is that done for the Government by regularly paid labor under official supervision, and the poorest work ever done is that done for the Government by private parties under contract, subject to official inspection when finished. A Springfield musket and a shoddy blanket are instances. The safety of the Bureau is believed to consist in the superiority of the work, the constant official supervision, and the extra care to prevent and detect errors and mistakes. Without considering present cost and proposals made, there can hardly be a doubt, had the Government depended for its enormous amount of work upon the bank note companies and individuals or firms alone, the demands would have far exceeded the sums actually paid. The number of persons capable of such work is comparatively few; they could easily combine and form a stupendous monopoly, which would hold the Government completely in its power. The Secretary of the Treasury should, therefore, have ample means to make the Bureau efficient and infallible. We are strengthened in this conclusion by the examples of the bank of England, of France, of Germany, of Austria, indeed, all the great powers of the world. The smaller and inferior governments alone of Europe and America employ private parties under contract, very largely establishments in the United States.

While having full confidence in the security of the Bureau of Engraving and Printing, we are aware that an impression has obtained that greater security would be reached by having the circulation prepared in different departments and working independently of each other.

In deference to this opinion we recommend that, upon all public securities, including bonds, Treasury notes, United States notes, national bank notes, certificates, and any other form of obligation intended to circulate as money, when more than one printing or impression is required, it shall be the duty of the Secretary of the Treasury to have one or more printings or impressions executed outside the Bureau of Engraving and Printing, requiring the final face impression,

together with the numbering and sealing and finishing, to be executed by the Bureau.

We further recommend that all internal-revenue stamps and postal stamps, including departmental stamps, shall be printed at the Bureau of Engraving and Printing, and introduce a bill accordingly.

HORACE MAYNARD,  
Chairman, &c.  
C. B. FARWELL,  
JAY A. HUBBELL,  
SAM'L J. RANDALL.

JASON NILES.

I concur in the above recommendations.

#### SYSTEM OF CHECKS IN THE TREASURY DEPARTMENT AND IN THE BUREAU.

In consequence of the investigation made by the Joint Select Committee on Retrenchment of the Fortieth Congress, an entire change was made in the management of the Bureau of Engraving and Printing and in the system of transacting business therein, whereby a more complete system of checks was adopted, so that under the present organization there are fourteen distinct divisions in the Bureau. As appears by the letter of Secretary Bristow to Hon. Horace Maynard, chairman of the Committee on Banking and Currency of the Forty-third Congress, under date of December 19, 1874, (see Report No. 150, Forty-third Congress, third session, page 433,) from which I extract the following:

II. The system of checks in use in the Bureau of Engraving and Printing: The Bureau is divided into fourteen distinct divisions, with several auxiliary divisions, and the manner of business therein is substantially as follows: In order to prevent unauthorized access to the dies, rolls, plates, &c. in the engraving division, when not in use, they are placed in vaults under combination locks, the keys of which are held by custodians representing the Secretary of the Treasury, the Treasurer of the United States, and the Bureau of Engraving and Printing, each custodian having a combination different from and unknown to the others. By a proper system of requisitions and receipts, when a "die" or "roll" is needed for the purpose of engraving or "transferring," it is charged to the workman receiving it, and an exact account is kept of the purpose for which he receives it, and of the length of time it remains in his possession; and the custodians are required to keep a careful watch of the same while it is being used.

When a plate is needed for printing, a requisition is made by the superintendent of the printing-room in which it is needed, who gives a receipt for it and becomes responsible for its proper use. Each and every plate is checked out in the morning in this manner and at night received back and checked in, the custodian examining and inspecting it as it is passed out and returned to the vaults. Daily reports of these deliveries and receipts are made to the chief of the Bureau and are examined and placed on file.

To prevent an improper use of the plates while in the printing-room, each printer is assigned to a particular press, which is numbered and to which is attached an automatic register. In the morning he receives his plate from the superintendent of the printing division and the paper to be printed by him from the superintendent of the setting division. He is charged on his pass-book and on the books of his division with the number of sheets received by him and is credited in these books with the delivery of these printed sheets, which deliveries he is required to make in hundreds during the day as they are printed and the remainder, both printed and unprinted, at the close of his day's work, being compelled to balance his account at the end of each day.

The number of printed sheets delivered each day must correspond with the registration on the automatic register attached to the press on which they are printed, and this tally is made each day by a comparison of the reports of the custodians of these registers with the accounts of the printers in the examining and setting divisions. These custodians of the registers are required to keep careful watch of the plates while being used, and are appointed by and responsible to the Secretary of the Treasury.

To prevent the improper abstraction of sheets of printed work, counts of all work are made in each division by two sets of counters, one verifying the work of the other. Two receipts are given when it becomes necessary to pass the work from division to division, one being subject to count and given when the work is received, the other is a final receipt given when the work has been counted and found correct. Deliveries of work from division to division are made in locked boxes, the keys of which are held only by the superintendents of divisions between which they pass. Each division superintendent makes a daily report to the Secretary of the Treasury and to the chief of the Bureau on prescribed blanks for each class of work, showing the amount received, delivered, and the balance on hand, carrying the aggregate figures forward from day to day. These reports are consolidated for each class of work, and a report thereof is made by the chief of the Bureau of Engraving and Printing to the Secretary of the Treasury.

III. The checks in use in the office of the Secretary of the Treasury proper, which consist of the accounts kept in the currency branch of the loan division of this office, are made up from the reports of the superintendent of the Government mills where the paper is manufactured, and from the report of the various superintendents of divisions and of the chief of the Bureau of Engraving and Printing. In order to limit the cost of engraving and printing securities, stamps, &c., the simplest plan is to make an appropriation each year at a certain fixed rate per one thousand sheets for each class of work required. This rate per one thousand sheets can be readily fixed by the average cost of each class of work during the preceding fiscal year, or upon annual estimates furnished by the Department. A specific sum should be appropriated each year for paper, as a large stock must be carried for the purpose of seasoning; also for machinery, as that always remains and possesses value after the work is done, a percentage of wear and tear being included in the fixed rate per one thousand sheets.

Since I had the honor to appear before your committee my attention has been called to the fact that the recommendation in my annual report that the entire work of engraving and printing Government securities should be done by the Bureau of Engraving and Printing is contrary to the suggestion of the sub-Joint Select Committee on Retrenchment in their report in 1869. I beg to say, on this point, that the suggestions of this committee were made when an entirely different system was in operation, and when the Government securities, &c., were printed upon ordinary plain bank-note paper, which could readily be procured at any stationery establishment, either in this city or elsewhere, and also when the head of the Bureau purchased the paper in open market, and was the custodian of the same, without supervision or accountability to the Secretary or any other officer of the Treasury Department.

I trust this brief statement of the care which is exercised over the work of engraving and printing the stamps, notes, &c., issued by the Government, will give the committee an idea of the system of checks now in operation, which is followed with exactness in the minutest detail.

Speaking generally, it is perhaps sufficient to say in this connection, that inasmuch as the Department is already provided with the machinery for doing the work, there is no reason why it should not be done as cheaply here as by private parties and corporations; and such is the character of the work that it is of as much importance to keep it entirely within the control of the Government as the reduction of bullion to coin at our mints.

In conclusion, I am pleased to say, upon information derived from officers of the Department, that since the adoption of the special paper and the present system of checks, (a period of about six years,) the Government has not lost the value of one note or stamp, or even a piece of the special paper the size of a ten-cent note.

I have the honor to be, very respectfully,

B. H. BRISTOW, *Secretary.*

Hon. HORACE MAYNARD,  
*Chairman Committee on Banking and Currency, House of Representatives.*

Prior to 1869 the securities named in the appendix to the gentleman's argument were supposed to be lost, stolen, or unaccounted for; since that time, under the system of checks adopted on the reorganization of the Bureau, no loss of any securities whatever has occurred. The system of checks seems to have been brought to a state of perfection, and the securities referred to there as unaccounted for or lost have no application to the Bureau; nor does it appear that they were stolen or lost. The method of their supposed loss was not fully ascertained by the committee; it lay between the companies, the Treasurer, and the Register of the Treasury Department, and there is no evidence that the Government has sustained any loss therefrom.

As showing the excellence of the system now in use in the Bureau, I refer to the reports made by the committees—copies of which I append—appointed by the honorable Secretary of the Treasury each year to make a count of the securities in the Bureau of Engraving and Printing, whereby it appears that in all cases the number corresponded with the books of the office of the Secretary of the Treasury, when similar committees, appointed by the Secretary of the Treasury to count the securities in the hands of the bank-note companies, have invariably found discrepancies, as appears by letter of Secretary Bristow to Hon. Horace Maynard, chairman of the Committee on Banking and Currency, bearing date of June 21, 1875.

TREASURY DEPARTMENT, January 21, 1875.

MY DEAR SIR: In compliance with your verbal request of yesterday, after careful examination and inquiry, I have the honor to state that the only discrepancies that have occurred in the Bureau of Engraving and Printing since Mr. McCarty took charge of the Bureau, by theft, embezzlement, or otherwise, are three items:

1. In December, 1869, one package of fifty-cent fractional currency of the value of \$750 was abstracted during the change of work between two sets of employes, at the time we were working day and night.

2. Subsequent to the above there was a loss of two sheets of ten-dollar notes, amounting to \$20, by theft by visitors to the Bureau.

3. In August, 1870, by carelessness of a printer, one sheet of dampened paper for printing tobacco-stamps was so mutilated by being mashed into pulp, that it was impossible to recognize it, but which discrepancy was detected through the agency of the register attached to the printing-press. The printer was required to pay the full value of the same, \$32.50.

The other losses of the two sheets of ten-dollar notes, and the package of fractional currency notes, were paid by the Chief of the Bureau and his associates.

These losses occurred while we were perfecting the present system of checks and balances. These facts were stated before your committee by Mr. McCarty last winter, as you will see by referring to pages 252 and 253 of the testimony on "the engraving and printing of bank-notes, currency," &c.

In further compliance with your request, I beg respectfully to transmit herewith a statement showing the discrepancies discovered between the accounts of the American and National Bank-Note Companies in their exchanges of work, when the system of two printings by the bank-note companies was in operation, as shown in the semi-annual settlements of their paper accounts.

I also transmit a statement showing the discrepancies of the American Bank-Note Company in their deliveries of work to the Bureau of Engraving and Printing.

These lost sheets have always been paid for at the full face-value, so that no actual loss has resulted to the Government.

Very respectfully,

B. H. BRISTOW, *Secretary.*

Hon. HORACE MAYNARD,  
*Chairman of the Committee on Banking and Currency,  
House of Representatives.*

*Statement of discrepancies discovered between the accounts of the American and National Bank-Note Companies, as shown in their semi-annual settlements.*

American Bank-Note Company, December 15, 1870:

UNITED STATES NOTES.

Paper, 107 sheets short.  
Tints and backs, \$2, 2 sheets short.  
Tints and backs, \$5, 1 sheet over.

FRACTIONAL CURRENCY.

Backs, 10 cents, 2 sheets short.  
Paper, 25 cents, 18 sheets short.

National Bank-Note Company, December 19, 1870:

UNITED STATES NOTES.

Paper, 3 sheets short.  
Tints, \$10, 16 sheets over.  
Tints, \$1, 93 sheets over.

FRACTIONAL CURRENCY.

Paper, 10 cents, 6 sheets short.  
Backs, 25 cents, 104 sheets over.

American Bank-Note Company, July 11, 1871:

UNITED STATES NOTES.

Paper, \$1, 3 sheets short.  
Paper, \$10, 1 sheet short.

FRACTIONAL CURRENCY.

Backs, 10 cents, 3 sheets short.

National Bank-Note Company, July 11, 1871:

UNITED STATES NOTES.

Tints, \$1, 3 sheets over.  
Tints, \$10, 1 sheet over.  
Backs, 25 cents, 1 sheet over.

American Bank-Note Company, January 27, 1872:

UNITED STATES NOTES.

\$1, 4 sheets short.

FRACTIONAL CURRENCY.

Paper, 25 cents, 1,001 sheets short.  
Paper, 50 cents, 1,000 sheets over.

National Bank-Note Company, January 27, 1872:

FRACTIONAL CURRENCY.

Backs, 25 cents, 1 sheet over.

American Bank-Note Company, June 29, 1872:

UNITED STATES NOTES.

Paper, 1 sheet short.

National Bank-Note Company, June 29, 1872:

FRACTIONAL CURRENCY.

Paper, 10 cents, 1 sheet over.  
Backs, 25 cents, 1 sheet over.

American Bank-Note Company, December 17, 1872:

FRACTIONAL CURRENCY.

Backs, 10 cents, 1 sheet short.  
Paper, 25 cents, 3 sheets short.

National Bank-Note Company, December 17, 1872:

FRACTIONAL CURRENCY.

Paper, 10 cents, 2 sheets short.  
Backs, 25 cents, 1 sheet over.

American Bank-Note Company, July 23, 1873:

UNITED STATES NOTES.

Paper, \$1, 4 sheets short.

FRACTIONAL CURRENCY.

Backs, 10 cents, 1 sheet short.  
Paper, 25 cents, 12 sheets short.  
Paper, 50 cents, 1 sheet short.

National Bank-Note Company, July 23, 1873:

UNITED STATES NOTES.

Tints, \$1, 2 sheets over.

FRACTIONAL CURRENCY.

Paper, 10 cents, 4 sheets short.  
Backs, 25 cents, 3 sheets over.

Since the date of this letter there has been no loss or discrepancy of any kind in the Bureau.

In referring to the report of the committee of the Forty-fourth Congress the gentleman from New York omits entirely the views of the minority of the committee, but adheres to that of the majority as though it were the sole report, and quotes therefrom as follows:

"Why add 5 per cent. to the cost of securities to pay employes when they have nothing to do? Why add 25 per cent. to give employment for fewer hours and higher wages than the private company gives for the same work?"

The committee do not answer these questions, because they could not without admitting that these things were permitted only for political considerations. They say:

"If the Bureau was not already established and on our hands, it would be a question whether its operations might not properly be restricted to authenticating and finishing the Government issues."

In answer to the interjected inquiry, he omits to state that the report of the minority did show an actual saving in the Bureau over the bank-note companies of \$1.71 per one thousand sheets, including not only the printing of the Bureau, but also the examination, as appears by the following comparative statement taken from their report:

Paid the New York bank-note companies, per 1,000 sheets—	
For one registered printing, (back) .....	\$23 00
For one unregistered printing, (tint) .....	90 00
	—\$43 00
Cost in Bureau per 1,000 sheets—	
One registered printing, including examination, (face) .....	23 31
One unregistered printing, including examination, (seal) .....	17 98
	41 29

Difference in favor of Bureau .....

1 71

This saving is where there is a direct competition between the Bureau and the bank-note companies. The cost to the Government would have been far greater had there been no competition and if the companies had been permitted to charge their own rate for labor. This would seem to be a full and sufficient answer to the question which the gentleman from New York says the committee did not answer.

The charge that Secretary Bristow has not followed the course recommended by the committee of 1875, and that "he has taken the risk of departing from these instructions and of dispensing with one of these printings, and authorizing the only one performed outside of the Bureau to be executed in Washington by the Columbian Bank-Note Company," seems to conflict somewhat with the fact in this, that the report of the majority and minority of the committee differed upon that question.

The minority report recommended that one or more plate-printings should be executed outside of the Department, and the majority report recommended four plate-printings—that is, three plate-printings and the seal-printing, which would be practically four plate-printings—at least two of which should be executed by responsible outside companies, and the third plate-printing together with the seal-printing to be executed inside. There is but three distinctive printings upon these securities, and of these two are executed in the Department, namely, one plate-printing and the seal-printing, as recommended by both the majority and minority reports of the committee; but there



is only one other to be executed, the fourth plate-printing having been dispensed with since 1874, it not being of any utility. The failure to have this additional costly printing done outside, which is entirely unnecessary, is the occasion of this fault-finding. So that, practically, the recommendations of both the majority and the minority has been complied with, both requiring one plate-printing and the seal-printing to be done in the Treasury Department, which has been done. Neither the majority nor the minority report recommended that the outside printing should be done in New York or any other particular place. By having the work done in Washington instead of in the city of New York there has been a large saving to the Government in expressage of partly printed securities from the companies to the Department, which amounted to \$11,954.20 in 1873; the risk consequent upon the transmission of this unfinished work is also avoided, which is certainly an important matter.

#### THE ONE HUNDRED SHEETS.

The gentleman in his remarks says:

Secretary Bristow sent a communication to that committee concluding as follows:

"Since the adoption of a special paper and the present system of checks, a period of about six years, the Government has not lost the value of one cent or more, or a piece of paper the size of a ten-cent note."

"That this statement was incorrect was proved by the production at the hearing of one hundred sheets of this special paper, of which the Bureau had no record, and by the accounts of paper delivered and received between the Bureau and the bank-note companies, by which it was shown that the paper was frequently either "short" or "over." These facts established that the Secretary of the Treasury has not adopted the best or most economical method of printing the Government notes and securities, and that implicit reliance cannot be placed upon the system of checks devised by the Bureau.

The shortage and overaccounts mentioned here have accrued in every instance with the bank-note companies of New York, as appears by the statement to which I have already referred and quoted. The Bureau of Engraving and Printing has not received, and does not receive, any blank paper, and its accounts have always proved to be correct by comparison with the accounts in the currency division of the office of the Secretary of the Treasury.

In reference to the one hundred sheets referred to by the gentleman, it would seem to be highly proper for the American Bank-Note Company, which had the one hundred sheets in its possession, to have accounted for the manner in which it came into their possession. Mr. McCartee, at that time the Chief of the Bureau of Engraving and Printing, could only account for it in one way, (see Report 150, Forty-third Congress, page —), namely, that this company had a loss occasioned by fire, whereby a large portion of the paper in their possession was claimed to be destroyed. The remains of this paper were delivered to the Bureau, alleging to represent a certain number of sheets, for which they were credited—about 15,000 in all. Three years afterward they bring forward these one hundred sheets, and they have never accounted for the manner in which they came into their possession. The only fair inference is that claimed by Mr. McCartee, namely, that this paper was not destroyed by fire and not turned over to the Bureau, and was accounted for as destroyed. This same company has recently, as will appear by the following letter, discovered an error of a similar nature. Some paper that they had paid for as lost or destroyed was afterward discovered by that company on making alterations in their establishment:

AMERICAN BANK-NOTE COMPANY,  
142 Broadway, New York, March 9, 1876.

SIR: In accordance with your instructions, Mr. George B. McCartee has visited this company and made a count of the fiber-paper in our possession. The amount called for in the reports is 6,390 sheets; the actual count makes the number 6,384 sheets; a deficiency of two sheets. These two sheets may be discovered in the count yet to be made at the National Bank-Note Company or found in our own establishment hereafter, but they will be paid for at once, if required, in accordance with the terms of the contract.

In this connection we beg to state that in making some changes in our drying and counting rooms lately we found four impressions of twenty-five cent backs, sixteen subjects to each; one blank sheet of the distributive fiber-paper made for twenty-five cent backs, fifteen subjects to a sheet; and some fragments of sheets of United States notes and fractional currency backs destroyed by mice. The face value of all these sheets has already been paid for by this company on account of "missing sheets;" the four full impressions and the blank sheet amounting to \$19.75. What the fragments originally represented of course cannot be ascertained.

After consultation with Mr. McCartee we inclose herewith the four impressions, the blank sheet, and the fragments for final destruction, leaving the question of crediting us with the \$19.75 entirely optional with the Department.

Very respectfully,

C. L. VAN ZANDT, Vice-President.

Hon. B. H. BRISTOW,

Secretary of the Treasury, Washington, D. C.

At all events, on every principle of honesty and fair dealing, it is for the American Bank-Note Company to explain how they came into the possession of this one hundred sheets, and not for the Bureau of Engraving and Printing to do so. They have no right to attack the system of checks in the Bureau when they were permitted by the Secretary of the Treasury to account for paper alleged to be destroyed by the ashes and cinders; but above all, they have no right to attack the Bureau on this account, for this paper does not pass from the Bureau to the companies, but passes directly to them from the Government's paper-mill upon the order of the currency division of the office of the Secretary of the Treasury, which is entirely independent of the control of the Chief of the Bureau of Engraving and Printing, and he cannot in any manner be made responsible for it.

#### THE DEFICIENCY IN THE LAST FISCAL YEAR.

In reference to the deficiency in the appropriation for the last fiscal year, the gentleman charges that it was caused by a large increase of force in the Bureau of Engraving and Printing, which is undoubtedly true; but the increased force was occasioned directly by the legislation of the last Congress in requiring the seal on the fractional currency, which had theretofore been placed thereon by an inexpensive surface printing, to be done by a slow and expensive plate-printing. The award of the Secretary of the Treasury to the Bureau of the face printing of the national-bank notes largely increased the force, but the force employed was without doubt within what the absolute needs of the service required, and it was required to keep up with the demand.

There was no larger balance of partly finished work than the ordinary amount carried for the purpose of seasoning both the paper and the printing before issue. In two months after the Bureau discontinued manufacturing fractional currency the supply in the hands of the Treasurer of the United States was exhausted, which is a full answer to any reflection that may be intended in the gentleman's remarks upon that subject. The fact that a larger amount of fractional currency was issued in 1876 than in 1874 or in prior years does not prove that any more was issued than was required, but only that that was issued which was demanded. The demands made upon the Bureau by the Treasury had to be met, and Congress being in session could provide for the deficiency. A prudent and faithful manager of the business of the Government will always try and meet the needs of the Government. If he fails to do that, he fails to perform his duty. Acting in a ministerial capacity, it is his duty to administer the law as he finds it and leave to Congress the responsibility of any changes they may require. Secretary Bristow could not do other than he did in requiring the expensive third plate-printing to be placed on the fractional currency, although he knew that doing so would create a large deficiency.

#### THE WATER-PROOFING PROCESS.

Much has been said about the water-proofing process. Committees have been unable to determine whether it was of value or not, and experts and chemists seem to vary in their opinion on the subject. It is no part of my duty to attempt to prove its value or want of value. It has been used since 1871. It appears by the testimony taken before the committee that, while it was a secret process, it was not within the protection of any patent. Mr. Williams, the inventor and owner of the process, contracted with Mr. McCartee, the Chief of the Bureau of Engraving and Printing, to furnish the material ready for use at a stipulated price per gallon and a stipulated number of gallons per one thousand sheets of paper, being sixty cents per gallon and seven and one-half gallons per one thousand sheets, the cost of the material per one thousand sheets being \$4.50. The gentleman charges that the sum of \$100,000 per year has been paid to Mr. Williams for the labor and materials in this process, and refers to Mr. McCartee's testimony before the committee of the Forty-third Congress upon that subject to prove his statement. Mr. McCartee did not seem to understand, when called upon, what the amount was per year, saying that he did not know without examining his books. The gentleman quotes from the argument of the attorney of the bank-note companies, Mr. Hubbard, at page 413 in the report of the Committee on Banking and Currency, before referred to, instead of referring to the testimony itself, to prove some of his propositions; he neglects to refer to the evidence taken before the Committee on Expenditures in the Treasury Department, his own committee in this Congress upon this subject. The testimony of Mr. Thomas J. Hobbs, who is the disbursing clerk of the Treasury Department, before our committee on the 27th of last March, shows the exact amount paid since the process was brought into use for labor and material for each fiscal year. By it it appears that the cost of the fiscal year ended June 30, 1872, was \$18,875.47; for the year ended June 30, 1873, \$65,742.40; for the year ended June 30, 1874, \$67,897.30; for the year ended June 30, 1875, \$61,731.03; for the year to date of his testimony, \$52,216.40; showing that the total amount paid was \$266,562.60 instead of \$100,000 per year. In addition he was paid \$3,860 for preparing the machinery, &c., for the use of the preparation. These are all the items of expense so far as the labor and material for the process is concerned.

As stated by the gentleman, a majority of the Committee on Banking and Currency recommended that a commission be appointed by the Secretary of the Treasury for the purpose of ascertaining the value and utility of this process. It appears from Miscellaneous Document No. 163, part 1, Forty-fourth Congress, in the answer of the Department to the thirteenth query submitted by the Committee on Expenditures in the Treasury Department, in regard to the relative total cost per one thousand impressions for printing the seals on fractional currency by plate and by surface printing, the cost is as follows:

The cost of plate-seals on fractional currency per one thousand impressions is \$16.75; the cost of surface-seals on the same, per one thousand impressions, is \$4.31.

To the next question, the fourteenth:

Does the price or cost of surface printing include the expense of the process known as water-proofing? If not, what amount per one thousand impressions should be added for such process?

## The reply is:

The cost of surface printing does not include that of water-proofing; the cost of the latter is \$7.22 per one thousand sheets.

This includes the cost of the material and the cost of the labor on the part of the Bureau in the application of the process.

It is claimed that the use of this process enabled the Bureau to make use of the surface-seal instead of the plate-seal, and thereby saved an expense of from \$4 to \$8 per one thousand sheets. Aside from the question of its affecting the value of the paper itself and its powers of endurance, it was a matter of economy to use it in order to protect the ink and prevent its spreading, and thus allow the use of the comparatively cheap surface-printed seal instead of the costly plate-printed one. The inventor, Mr. John W. Williams, testified before our committee as follows in reference to the water-proofing process, making the use of these different seals available:

Question. Why does the water-proofing process enable them to use the surface-seal instead of the plate-seal?

Answer. The surface-printed work is an impression made from raised type or raised engraving; in other words, a cameo; plate-work is sunken or intaglio. In the first case, the surface of the type takes the ink and simply deposits it upon the paper; in the other, the ink is rubbed into the plate and leaves a body of ink on the paper. When they use the surface-ink it is more easily abraded, unless protected by some process like this of water-proofing.

Q. Then I understand you to say that the water-proofing process serves to protect the ink of the surface-printing?

A. Yes; it enables them to use steam-presses to put on the surface-impression, by which they were enabled to do it very rapidly, in place of the hand-labor used to put on the plate-impressions; and this hand-labor is very expensive.

Q. Do you claim that without the water-proofing process the surface-seals could not be used?

A. They could be used, but the ink would be very readily abraded and washed away from the surface of the paper.

But the gentleman from New York alleges that the process was continued for three months after the report of the commission of experts to whom the question with reference to its effect on the paper—whether it was of sufficient value in toughening the paper to warrant its continued use—was submitted. He alleges that some informal report was made to the Secretary of the Treasury or to Assistant Secretary Conant, by Mr. Hilgard, of the commission appointed to investigate this subject, which should have caused the Secretary of the Treasury to discontinue its use.

On the recommendation of the Committee on Banking and Currency of the last Congress, and in accordance with the act of Congress of March 3, 1863, Mr. Secretary Bristow referred the examination of the water-proofing process to Professor Joseph Henry, president of the National Academy of Sciences, who designated Professors J. E. Hilgard, C. F. Chandler, Henry Morton, and William Sellers to act as a commission for the purpose, and upon the 30th of August, 1876, the Secretary commissioned them as such. On the 1st of October following, Professor Hilgard, the chairman of this commission, submitted to the Secretary of the Treasury notes of the proposed report, for which see Miscellaneous Document No. 163, part 2 of this Congress, page 14. As will be seen by Professor Hilgard's letter to Professor Henry, dated the 26th of last March, page 20 of the document referred to, the commission afterward changed the opinions they had expressed in the informal report which they had already submitted; but no official report from this commission was made until the 29th of last April, when Professor Henry submitted the final conclusions, accompanied by the reports of the commission and copies of letters which had passed between himself and Professor Hilgard relative to the experiments. The final report of the commission is without date, and is on page 22 of the same document. Professor Henry dissents from the conclusions expressed therein in a letter to Professor Hilgard dated March 23, page 33, and refers the matter back to the commission for further experiments. Their reply is on page 34 and the final concluding remarks of the president of the National Academy of Sciences—Professor Henry—in which he says that he still adheres to his original opinion that the experiments and deductions deduced therefrom by the commission do not logically bear out their conclusions, (page 35.) The first conclusions of the commission expressed in their informal report was that the process was of great value and utility in strengthening the paper and preserving its durability; their final conclusions are that it is of very doubtful utility in either direction, and that it added nothing to the durability of the paper under the processes and experiments which they had applied to it.

Since that report and since the closing of the Bureau in February last, the water-proofing process has not been used, so that the question of its utility is not necessarily one for us to consider; but a reflection is attempted on the late Secretary, Mr. Bristow, for not discontinuing the process at an earlier date upon some alleged other informal report made to Mr. Assistant Secretary Conant. It appears from the letter of Professor Hilgard to Professor Joseph Henry under date of March 23 last, page 21 of the document above referred to, that on the 21st or 22d of November, 1875, he had communicated to the chief of the Bureau of Engraving and Printing and immediately afterward to Assistant Secretary Conant the change in their views; but it appears further that the object of his first and second reports was not to stop the use of the process or to affect its use, except by a change of it from the possession of the inventor into that of the Department, and that no action had been taken on his first and informal report in that direction, and therefore no action was required to be taken on his second communication to Assistant Secre-

tary Conant or to the Chief of the Bureau of Engraving and Printing upon it, unless, as claimed by the gentleman from New York, the use of the process should have been entirely stopped at that time. But there is nothing in the communication of Mr. Hilgard to warrant such a conclusion, for the reason that the experiments of the commission were then being made and that those experiments were continued up to December 29, when they prepared their report but did not send it in. On the 20th of November Mr. Hilgard applied by telegram to Mr. McCartee for permission to visit the Government paper-mills, and authority by the Assistant Secretary of the Treasury was given on that day to the United States superintendent of the mills to permit him to inspect the manufacture of the paper. On the 23d of that month he obtained additional paper one-half water-proofed and one-half not, for the purpose of making additional experiments, and no official report was made as heretofore stated. So that there was no notice of any completed action on the subject which warranted the Secretary of the Treasury to discontinue the use of the process. The object of the notice was to prevent the Department changing the mode of controlling the process by acquiring a right to it itself at a less expense than it would be to purchase the material of the inventor. Secretary Bristow would not have been warranted, and the country would not have sanctioned his stopping the use of the process if the final report had shown it to be of great value as the first informal report of the commission had shown; therefore he was right in continuing the use of the process until he had notification of the final result of their experiments.

The gentleman claims that the use of the process has made necessary an increase in the issue of fractional currency of nearly 100 per cent., and he claims that it is shown conclusively by the crucial test recommended by Professor Henry that the paper was made less durable. The gentleman's conclusions exceed those of the commission, for the commission did not find it to be less durable; the only question with them was whether it was more durable or not, and upon that, while there was no difference in opinion on the part of the experts, Professor Henry did distinctly differ with them, as did also Professor John M. Ordway, of the Massachusetts Institute of Technology of Boston, and Professor H. B. Nason, of the Rensselaer Polytechnic Institute, of Troy, New York; so that the gentleman's conclusions as to the value of the process are not sustained at all by the commission nor by the other eminent chemists whom I have just named. And the question is whether or not the practical results prove what he states; that is, that the increase in the demand for fractional currency has been caused by an increase of its destructive quality.

It is undoubtedly true, as the reports show, that there has been yearly a large increase in the issue of fractional currency from 1870 to the time when the issue of that class of currency was discontinued; but is it true that that increase in the issue was caused by an increased destructibility of the paper itself or was it caused by increased facilities on the part of the Department to the holders of that currency for the redemption of it by the issue of new notes? On the 1st of July, 1873, the Treasury Department issued a circular, giving minute instructions for the forwarding of fractional currency or United States notes to be exchanged for new at the expense of the Government. This was done for the benefit of the people, in order that this currency might be made more safe to them and that there should be less loss to them by its wearing out. The increased facilities under instructions from the Treasury of the United States brought in vast quantities for redemption. It was not a question how much the currency was worn, but simply that it was sent in for redemption, whether it was worn out or not. The paper issues returned to the Treasury were destroyed and a new issue made in lieu of it; and the test is not in the fact of the amount of issues, but as to how much the paper was worn that was sent in. On that subject there is no proof either *pro* or *con*; so that the fact that larger amounts were manufactured in 1876 over 1875, and in 1875 over 1870, does not prove that the paper had less durability or was more destructible in consequence of the water-proofing process. It simply proves the wide-spread desire for new and clean bills instead of old.

## REVENUE STAMPS.

It is true that in July, 1874, propositions were advertised for by the Internal Revenue Bureau for furnishing revenue stamps, and that contracts were awarded to bank-note companies in New York for such stamps, and that previous to these contracts the stamps were, except the tint-work, manufactured in the Bureau of Engraving and Printing. I am, however, utterly at a loss to ascertain the authority from which the gentleman makes the accusation in reference to overlapping of internal-revenue stamps. I have not been able to find anything in the report or in the inquiries propounded to the Department or in the answers thereto to warrant the statement. The Bureau of Engraving and Printing only printed the stamps prior to this contract as they were ordered by the Internal Revenue Bureau, and printed no more than was ordered; if there were any overorders made by the Internal Revenue Bureau, that Bureau was responsible, and not the Bureau of Engraving and Printing. But they only printed them in part; in other words, the tint-work, as the gentleman alleges, was provided by the bank-note companies. If they printed more of this tint-work than was needed or had been ordered, they were simply interfering with their own contracts to take effect on the 1st of January. The Bureau of Engraving and Printing could



only finish what they had begun, and as I stated before, could only finish upon the order of the Internal Revenue Bureau; and therefore there is no basis for the statement made by the gentleman. It is unfortunate, to say the least, that he did not give us the authority upon which he makes this statement. It is distinctly denied by the Bureau that any such overlapping took place, and the gentleman does not give us the authority upon which he makes the charge. While I have no doubt he believes it to be true, I must be permitted to say that he is laboring under a great mistake as to facts.

In regard to stamps costing \$150,000 being destroyed there must also be a mistake, for no stamps were received by the Commissioner of Internal Revenue from the Bureau of Engraving and Printing which were not ordered by him; neither was there any destroyed by the Bureau of Engraving and Printing. This one-hundred-and-fifty-thousand-dollar destruction looks decidedly sensational.

I here beg leave to call attention to the following communications from the Commissioner of Internal Revenue and the chief of the Bureau of Engraving and Printing in reply to inquiries from me upon this subject:

TREASURY DEPARTMENT,  
Washington, D. C., August 11, 1876.

Hon. W. B. WILLIAMS.

All stamps delivered by Bureau of Engraving and Printing were covered by orders, and no stamps were destroyed except when necessitated by change of tax March 3, 1875.

GREEN B. RAUM, Commissioner.

TREASURY DEPARTMENT;  
OFFICE OF INTERNAL REVENUE,  
Washington, August 12, 1876.

Sir: Referring to your telegraphic inquiry of yesterday, I have the honor to state that the act of March 3, 1875, which changed the rate of tax upon manufactured tobacco and distilled spirits took effect from and after its passage, and necessitated the destruction by this office of 372,073 stamps, costing \$1,665.33, which were on hand ready for issue to collectors, but which were not suitable for issue under the aforesaid act.

This amount does not include the stamps then in the hands of collectors, many of which were used by having imprinted across the face of each the words: "Issued under act of March 3, 1875." As soon as this Office was able to furnish stamps prepared under the new act, some of the stamps in the hands of collectors were returned to the Commissioner by the destruction committee of the Treasury Department.

Very respectfully,

Hon. W. B. WILLIAMS,  
House of Representatives,  
Washington, District of Columbia.

GREEN B. RAUM, Commissioner.

TREASURY DEPARTMENT,  
BUREAU OF ENGRAVING AND PRINTING,  
August 12, 1876.

DEAR SIR: In response to your verbal request for information in reference to the printing of internal revenue stamps by this Bureau after the contracts for the same had been awarded to the bank-note companies of New York City in the fall and winter of 1874-'75 I have the honor to state that this Bureau received a large order from the Commissioner of Internal Revenue for these stamps on the 9th of November, 1874. The aggregate amount of stamps to be finished under this order was 5,717,000, and additional and subsequent orders were received up to and including the last of December of that year; the last delivery on these orders was made on the 10th of February, 1875.

No stamps were printed or delivered to the Commissioner of Internal Revenue without his order having first been given and no stamps were delivered in excess of such orders.

Very respectfully,

Hon. W. B. WILLIAMS,  
House of Representatives, Washington.

HENRY C. JEWELL,  
Chief of Bureau.

In regard to the saving by the printing of internal revenue stamps by the bank-note companies instead of by the Bureau it is charged that there is a saving of 25 per cent. by the contracts with the company. It must be understood that these companies did a part of this work before, the balance being done by the Bureau. The question is, whether the saving was on the Bureau work or on the work by the companies as compared with work done by them under their former contracts. If they did do the work that was done by the Bureau for less money than the Bureau charged, there was a saving, but if they did their own work for less than they received under their former contracts, while there was a saving to the Government, it was not in consequence of any excessive charges of the Bureau of Engraving and Printing. And I submit in connection herewith tables of the prices per thousand sheets for stamps furnished under the old system partially printed by the bank-note companies and partially by the Bureau, and under the present system, an analysis of the contract rates of the two, which shows the saving to be in the fact that the companies did the tint-work at a much lower rate than was charged before; and while the company to whom the contract was awarded was particular to make this bid in gross, and not so as to show in detail the cost of the several printings, the bids made by other companies furnish the criterion and settle the basis upon which the contract was made; and by this analysis it appears that work for which they received under contracts theretofore made with the Internal Revenue Bureau \$6.21 they now receive but \$3; that for which they formerly received \$4.50 they now receive but seventy-five cents; that for which they formerly received \$3.94 they now receive but \$1.01; that for which they formerly received \$1.36 they now receive but forty-three cents; and that for which they formerly charged seventy-three cents they now charge twenty-six cents. They have

in fact increased the prices for that class of labor heretofore performed by the Bureau so that work for which the Bureau received \$8.50 they in fact now receive \$10.75; that for which the Bureau received \$5.75 the company now receive \$6.25; and that for which the Bureau received \$5.25 the company now receive \$5.93; that for which the Bureau received \$1.75 the company now receives \$2.61; and stamps for which the Bureau received ninety-five cents the company receive eighty-nine cents, this being the only one in this analysis which shows the companies to receive less than the Bureau received before.

The gentleman attaches to his speech an appendix of "stamp deliveries from schedule of July 1, 1874, to June 30, 1875," alleging a total of stamps manufactured for the year to be 209,137,000, and that there was delivered in the month of April 105,598,000, which were those of no value. I append to my remarks an extract from the official report of the Chief of the Bureau for the year ending June 30, 1875, found on page 30, showing an aggregate of stamps delivered to the Commissioner of Internal Revenue for the year to be 104,630,329, instead of 105,598,000 delivered in the month of April, as the gentleman alleges.

The letter of Mr. Jewell, present chief of the Bureau, shows that the last stamps were delivered in February, instead of April. There is no foundation whatever, that I am able to discover, for the alleged manufacture of stamps undelivered and destroyed.

#### CONCLUDING REMARKS.

I have thus somewhat in detail gone over the position taken by the gentleman in his argument in the interest of the bank-note companies, and I can conceive of no other reason for the speech being made. As I stated before, no public interests have demanded; no demand from the people has come to Congress for any change; no demand by Congress has been made to the committee to investigate whether the change is desired or not. The system adopted seems to have been and is now working well. Why is this effort made unless it is to further the interests of the constituents of the gentleman who are engaged in this class of business?

I say here, as I did at the outset, that it is not desirable for the Government to enter into any kind of business that can be done as well, as securely, and as profitably by private enterprise; but there is no class of business in which the people are so directly interested as in the preparation of the money securities of the Government and in the money promises of the Government which pass as our money. The system of checks that has been adopted in the Bureau proves conclusively that we have a system to-day in operation that gives perfect security to the people. If it should cost more than some other system that might be devised and be experimental, it is better to adhere to the safe rule and follow it than to turn and go off on some blind track. If the Bureau of Engraving and Printing was overturned, the Government would again be entirely in the hands of these corporations, and instead of being an economical change it would prove to be a very expensive one. It needs no argument further than the facts already adduced to prove this; neither was it necessary to furnish any facts to prove it. The history of the times proves conclusively that wherever corporations can have absolute control without competition the Government interests as well as individual interests suffer in consequence. This question of business is more extensive; we could just as well say, with perhaps better grounds, that if the postal service of the United States could be done for less money and more economically than it is done now that therefore we should abolish our present postal system because it is a bill of expense to the Government and because it requires large appropriations to keep it up. Money could be saved to the Government by allowing our express companies to carry the mail; but the interests of the people would not be protected by it. Wipe out our postal system and we would be at once at the mercy of the express corporations of the country. The Government stands there and protects the rights and interests of the citizens, even though it costs her money to do it.

And again, as long as it is conceded that the mints of the United States should coin the money of the United States it should be granted that the Government should equally control the printing and issuing of its promises to pay money; if it is essential to secure the coin of the Government against adulteration and abasement and protect it from counterfeiting, that the Government of the United States should have absolute control of its coinage, I insist that it is equally true that to protect the Government against the issuing of counterfeit securities and counterfeit obligations and counterfeit paper money that the preparation of it should be entirely under the control of the Government.

We have to congratulate ourselves on the consequences of the experiment commenced under Secretary Chase when the interests of the country demanded some relief from these corporations, when the large issues incident to the war made it a necessity on the part of the Government to engrave and print its own paper obligations. The Bureau commenced at a time when the expenditures of the Government were enormous, and when in the very nature of things it required experience and talent which the Government did not have to enable it to meet its obligations with its paper promises, and it is not at all surprising that under such circumstances, without proper machinery, without a thorough system of checks, that there should be some obligations and securities of the Government unaccounted for, and we

have reason to be thankful that there was no more. But all the discrepancies found in the work of this Bureau from 1861 to the present time were found to exist prior to 1867. The Government has now in its employ the best and most skillful workmen in engraving and printing in the world, and if it pays them more than bank-note corporations might be willing to pay them I apprehend it pays them no more than their services ought to be reasonably worth, and that should be the true criterion on the part of the Government and not what they would get if working for some bank-note company. The art of

engraving has reached the very highest perfection in the Bureau; not only that, but the greatest improvements have been made in the line of machinery for preparing and manufacturing Government issues, and it now ranks as the largest engraving and printing establishment in the world, by its skill adding security to the obligations of the Government and giving confidence to the people.

A system so well established, with such perfect guarantees of safety, should not be overturned or destroyed without some stronger reason than the interests of private competing corporations.

## APPENDIX.

## Comparative statement of the cost of internal-revenue stamps.

Stamps.	Cost per one thousand stamps.	
	When partly printed and finished in Bureau.	When printed and finished by bank-note companies.
Tax paid .....	Bureau, face-printing, numbering and binding .. \$8 50 Bank-note companies, tint-printing .. 6 21 \$14 71	Bank-note companies, face-printing, numbering, and binding .. \$10 75 Bank-note companies, tint-printing .. 3 00 \$13 75
Distilled spirits .....	Bureau, face-printing, numbering, and binding .. 5 75 Bank-note companies, tint-printing .. 4 50 10 25	Bank-note companies, face-printing, numbering, and binding .. 6 25 Bank-note companies, tint-printing .. 75 7 00
Tobacco stub .....	Bureau, face-printing, numbering, and binding .. 5 25 Bank-note companies, tint-printing .. 3 94 9 19	Bank-note companies, face-printing, numbering, and binding .. 5 93 Bank-note companies, tint-printing .. 1 01 6 94
Tobacco sheet .....	Bureau, face-printing and finishing .. 1 75 Bank-note companies, tint-printing .. 1 36 3 11	Bank-note companies, face-printing and finishing .. 2 61 Bank-note companies, tint-printing .. 43 3 04
Beer .....	Bureau, face-printing and finishing .. 85 Bank-note companies, tint-printing .. 73 1 68	Bank-note companies, face-printing and finishing .. 89 Bank-note companies, tint-printing .. 36 1 15

## Comparative statement of the cost of internal-revenue strip-stamps.

Kind.	Number of stamps needed in one year.	Cost per thousand stamps by bank-note companies prior to award to Bureau, printing only.	Cost per thousand stamps when printed and perforated in Bureau.	Cost per thousand stamps under last contract with bank-note companies, printing only.	Bid of the Bureau to print and perforate, not accepted.
<b>TOBACCO.</b>					
1 and 2 ounce .....	48,500,000	\$1 00	\$0 66	\$0 55	\$0 55
4-ounce .....	60,000,000	1 00	82	60	70
8-ounce .....	16,000,000	1 00	1 40	1 50	1 16
16-ounce .....	1,830,000	1 00	1 78	1 75	1 47
<b>CIGARS.</b>					
25's .....	570,000	2 50	2 25	1 70	1 55
50's .....	4,500,000	2 50	2 50	1 95	1 90
100's .....	15,500,000	2 50	2 90	2 30	2 25
250's .....	35,000	2 50	4 00	3 35	3 40
500's .....	123,000	2 50	4 00	3 35	3 40

## REMARKS.

The cost of printing these stamps depends to a great degree on the number of stamps to be furnished, and should be increased or lessened as this amount is large or small. The aggregate cost of these stamps is therefore greater at the uniform rates of \$1 and \$2.50 by the bank-note companies, as shown in the first column, than by the varying rates of the Bureau in the second.

Schedule of stamps delivered to the Commissioner of Internal Revenue by the Bureau of Engraving and Printing from July 1, 1874, up to and including February 10, 1875.

No.	Title.	Number of stamps.
1	Tax-paid stamps .....	490,950
2	Distilled-spirits stamps .....	1,835,200
3	Tobacco-stamps, stub .....	1,994,400
4	Brewer's permits .....	58,800
5	Special-tax stamps, tobacco, series 1875 .....	432,640
6	Special-tax stamps, liquors, series 1875 .....	261,410
7	Special-tax stamps, tobacco, series 1874 .....	15,700
8	Beer stamps .....	9,633,820
9	Tobacco-stamps, sheet .....	636,828
10	Tobacco-stamps, small .....	4,398,650
11	Snuff-stamps, sheet .....	145,136
12	Tobacco-stamps, strip .....	75,651,420
13	Snuff-stamps, strip .....	263,180
14	Cigar-stamps, strip .....	9,501,125
	Aggregate .....	104,630,329

TREASURY DEPARTMENT,  
Washington, D. C., February 23, 1871.

SIR: In accordance with instructions received in your letter of the 16th instant, the undersigned committee have examined the stamps and other securities (not including national-bank notes) in the Bureau of Engraving and Printing, compared

the same with balance sheets furnished by the chief of said Bureau, and report that we find the same to be correct.

Attached hereto is statement of said balances.

Very respectfully,

Hon. G. S. BOUTWELL,  
Secretary of Treasury, Washington, D. C.

I. THORNTON,  
J. W. WHELPLEY,  
H. MCINTIRE.

TREASURY DEPARTMENT,  
Washington, D. C. December 29, 1871.

SIR: In accordance with instructions contained in your letter of 19th instant, your committee have the honor to report that having caused a strict and careful count to be made of the United States distinctive paper, printed and partly printed, in Bureau of Engraving and Printing, submit the following result.

Very respectfully,

ISAAC THORNTON,  
SPENCER S. GREGORY,  
NEWTON FERREE,  
T. C. DICKINSON,  
A. E. JAMESON.

Hon. GEO. S. BOUTWELL,  
Secretary of the Treasury.

TREASURY DEPARTMENT, November 12, 1872.

Hon. GEORGE S. BOUTWELL,  
Secretary of the Treasury:

In accordance with instructions contained in your letter of the 8th instant, we have the honor to report that we have caused a careful count to be made of securities printed and part printed in Bureau of Engraving and Printing, and find the amounts to agree, in every particular, with the statement of balance furnished us by the chief of currency division.

We transmit herewith a statement of the work in detail.

Very respectfully,

ISAAC THORNTON,  
LEWIS D. MOORE,  
S. GUTHRIE.

TREASURY DEPARTMENT,  
Washington, D. C., December 31, 1873.

SIR: The committee appointed on the 19th instant to examine the accounts of the Bureau of Engraving and Printing so far as they relate to the printing of United States notes, bonds, fractional currency, gold certificates, currency certificates, &c., beg leave to report that we have caused a careful count to be made of the above classes of securities, printed and part printed, now in the custody of the chief of the Bureau of Engraving and Printing, and find the amounts to agree in every particular with the statement of balances furnished us by the chief of the currency division.

Appended hereto is a schedule of the various securities referred to.

Very respectfully,

GEO. D. MAHER,  
LEWIS D. MOORE,  
W. W. WILSON.

Hon. WILLIAM A. RICHARDSON,  
Secretary of the Treasury.

TREASURY DEPARTMENT, January 13, 1875.

SIR: In compliance with the instructions contained in your letter of the 9th instant, I have the honor to report that I have superintended the counting of all the distinctive paper on hand on the morning of the 11th instant in the Bureau of Engraving and Printing, of which the following is a correct statement, as shown by said count, distributed among the several divisions of the Bureau.

Respectfully submitted,

F. E. GARNETT.

Hon. B. H. BRISTOW,  
Secretary of the Treasury.



TREASURY DEPARTMENT, February 21, 1876.

Sir: In accordance with instructions contained in your letter of the 12th instant, we have the honor to report that we have caused a careful count to be made of the securities, partially printed and complete, in the Bureau of Engraving and Printing in this Department, and find the amounts to be correct according to the books of the currency division of the Secretary's office.

In making this report we desire to add, that during the entire examination we have been most favorably impressed with the evidence constantly afforded us of the great ability and care exercised in the management of the Bureau by the late Superintendent, George B. McCortee, esq.

I. THORNTON,  
W. P. TITCOMB,  
FRED. W. MOFFAT.  
Committee.

Hon. H. B. BRISTOW,  
Secretary of the Treasury.

The Common Schools of the States—Democratic Success means the Defeat of Adequate Provision for Schools in the Southern States.

## SPEECH OF HON. WM. LAWRENCE, OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

August 15, 1876,

On the common schools of the States.

Mr. LAWRENCE. Mr. Speaker, a presidential election almost necessarily involves the consideration of many questions. I propose now to show that in the election of 1876 the democratic party should not be permitted to succeed, because the effect would be to discourage education in the Southern States and to impair the means of securing it, while the success of the republican party would encourage education and enlarge the means of securing it. I will consume no time in discussing the necessity of education to the existence and maintenance of republican government. This is so well understood, that I will assume it as a fundamental principle, affirmed by every real statesman and every reputable writer on government.

I do not overlook the fact that schools should be provided in the States under State laws. But it is important that the National Government should be in the control of a party which favors universal education, (as the republican party does,) and for several reasons, some of which I will enumerate, as follows:

1. If any State should entirely refuse to provide common schools for the education of its children, Congress would have power to intervene and establish them at the expense of the people of such State. The Constitution requires Congress to "guarantee to every State a republican form of government." (Article 4, section 4.) Common schools are agencies without which republican government cannot be maintained. The power to maintain these agencies is implied in the power to guarantee republican government.

2. The fourteenth article of amendments to the Constitution declares that—

No State shall deny to any person within its jurisdiction the equal protection of the laws.

This word "protection" is to be liberally construed to secure equal benefits arising from all laws to all citizens, including equal opportunity for education in the common schools for all children. Congress has power to enforce this provision of the Constitution "by appropriate legislation." (State vs. Adams, 4 Blackford, page 146; State vs. Pike, 15 New Hampshire, page 83; United States vs. Bailey, 9 Peters, page 238; United States vs. Winchester, 2 McLean, page 135; Rump vs. Commonwealth, 6 Casey, page 475; Mayor vs. De Armas, 9 Peters, page 224; House of Representatives No. 31, third session Fortieth Congress, pages 80-82; 2 Bishop's Criminal Law, section 987 [867]; 1 Kent's Commentaries, page 404; 13 Statutes at Large, page 437.)

It is important, therefore, that the President and Congress should be in favor of fully and faithfully executing this provision of the Constitution. The republican party is in favor of so executing it; the democratic party is not.

It will be shown hereafter that an equal provision is not made in all States for the education of white and colored youth, in clear violation of the fourteenth amendment of the Constitution. In Delaware and Kentucky, both democratic States, the law does not permit any portion of the tax levied upon the property of white persons to be appropriated to the education of colored children.

3. The success of a national political party in favor of adequate provision for schools will necessarily exert an influence in the same direction in all the States.

I now proceed to show that the democratic party in the late slave States are hostile to education for the colored race.

The democratic party is in the majority in most of these States. It has controlled their legislation and shaped their policy. They inherited this hostility from their history and the character of their institutions. They have not yet learned to abandon the prejudices of a past age.

The suppression of the rebellion in 1865 left most of these States disorganized. These were "reconstructed" in pursuance of acts of Congress, commencing with that of March 2, 1867.

Under the Freedmen's Bureau laws, enacted by a republican Con-

gress at the close of the rebellion, and during the era of reconstruction, schools were provided in these States and millions expended in their support. The democratic party in Congress opposed all this. This provision terminated when the States were finally reconstructed, closing with Texas, in 1870. The State constitutions adopted under the "reconstruction" laws made liberal promises for the maintenance of common schools. These were accepted and ratified by a republican Congress. But these have nearly all been since changed, and common schools are not adequately provided for. The policy of common-school education has been in a great measure ignored in constitutions, in legislation, and still more in practice.

This has been so fully shown in the able speech of the gentleman from New Hampshire [Mr. BLAIR] in this House on the 29th of July, that I am relieved of the necessity of saying much that I might otherwise deem proper. He has furnished tables showing the fearful illiteracy which prevails among children of proper school age in the States of the South controlled by the democratic party. This is because of the inadequate provision made in those States for the support of schools.

To fully understand and adequately appreciate the bitter hostility to the education of the colored race existing in the democratic party to-day in the Southern States, it will be necessary to keep in mind the condition of affairs which prevailed there during the days of slavery. The unanimous sentiment against the education of colored people, whether free or slave, may be seen in the extracts from laws on the subject, some of them dating back even far beyond the organization of our present National Government.

LAWS AGAINST THE EDUCATION OF THE COLORED RACE IN THE DAYS OF SLAVERY.

South Carolina, the leader in secession, took the initiative in legislating directly against the education of the colored race. In 1740, while yet a British province, its assembly enacted this law:

Whereas the having of slaves taught to write, or suffering them to be employed in writing, may be attended with inconveniences:

Be it enacted, That all and every person and persons whatsoever who shall hereafter teach, or cause any slave or slaves to be taught, or shall use or employ any slave as a scribe in any manner of writing whatever, hereafter taught to write, every such person or persons shall for every such offense forfeit the sum of £100 current money.

It was not, however, till nearly a third of a century later that the State took open and direct action against the education of its free colored population under all circumstances. On the 17th of December, 1834, was passed the act of which the following is the introductory section:

If any person shall hereafter teach any slave to read or write, or shall aid or assist in teaching any slave to read or write, or cause or procure any slave to be taught to read or write, such person, if a free person of color, shall be whipped not exceeding fifty lashes and fined not exceeding \$50, at the discretion of the court of magistrates and freeholders before which such free person of color is tried; and if a slave, to be whipped at the discretion of the court not exceeding fifty lashes; the informer to be entitled to one-half the fine and to be a competent witness. And if any free person of color or slave shall keep any school or other place of instruction for teaching any slave or free person of color to read or write, such free person of color or slave shall be liable to the same fine, imprisonment, and corporal punishment as by this act are imposed and inflicted on free persons of color and slaves for teaching slaves to write. (See Barnard's report on the District of Columbia, pages 383 and 384.)

In Virginia as early as 1805 an act was passed forbidding the overseers of the poor to require black orphans bound out to be taught reading, writing, and arithmetic, showing that up to this time they had required this instruction to be given, and that slaves only were restricted. In the revised code of 1819 all meetings of free negroes or mulattoes associating with slaves in any school-house or schools for teaching reading or writing, either in the day or night, are interdicted. The same code also provided that any white person, free negro, mulatto, or Indian found in such unlawful assembly should be punished by fine of \$3 and costs, and on failure of present payment "to receive twenty lashes on his or her bare back well laid on." (Barnard's report, page 307.)

In 1831 it was enacted—

That all meetings of free negroes or mulattoes at any place for the purpose of learning to read and write should be considered unlawful assemblies, the offenders to receive corporal punishment not exceeding twenty lashes; that any white person instructing such free negroes or mulattoes on conviction was to be fined in a sum not exceeding \$50, "and moreover may be imprisoned at the discretion of a jury not exceeding two months." (Barnard's report, page 308.)

If the negro were a slave the offense was punished by a fine of from \$10 to \$100.

In Mississippi, by act of January, 1823, any meeting of slaves, free negroes, or mulattoes, above the number of five, at any place of public resort or meeting-house in the night, or at any school-house for teaching reading or writing in the day or night, was to be considered an unlawful assembly, and the penalty was lashes "not exceeding thirty-nine."

With the permission of master or overseer, slaves might attend a meeting for religious worship conducted by a regularly ordained or licensed white minister, or attended by at least two discreet and reputable white persons appointed by some regular church or religious society. (Barnard's report, page 358.)

The Mississippi democratic Legislature of 1865, under the régime of President Andrew Johnson, enacted a law restoring and declaring to be in full force the provisions and penalties imposed upon negroes in the days of slavery, as follows:

Be it further enacted, That all the penal and criminal laws now in force in this State defining offenses and prescribing the mode of punishment for crimes and misdemeanors committed by slaves, free negroes, and mulattoes be, and the same are

hereby, enacted and declared to be in full force and effect against freedmen, free negroes, and mulattoes, except so far as the mode and manner of trial and punishment have been changed or altered by law. (Pamphlet acts of 1865, p. 165.)

The following provision of 1822 is an example of the penal and criminal laws referred to:

If any negro or mulatto shall be found, upon proof made to any county or corporation court of this State, to have given false testimony, every such offender shall, without further trial, be ordered by said court to have one ear nailed to the pillory and there to stand for the space of one hour and then the said ear to be cut off, and thereafter the other ear nailed in like manner and cut off at the expiration of one other hour, and moreover to receive thirty-nine lashes on his or her bare back well laid on at the public whipping post, or such other punishment as the court shall think proper, not extending to life or limb.

This law remained in force until the period of the rebellion, and was revived as stated. (Barnard's report, page 358.)

In Georgia as early as 1740 it was provided by law that any magistrate or constable must—

Disperse any assembly or meeting of slaves which may disturb the peace and endanger the safety of His Majesty's subjects; and any slave found at such meeting might by order of the magistrate be immediately corrected, *without trial*, by whipping on the bare back, twenty-five stripes with a whip, switch, or cow-skin.

The reason for the passage of this provision of the law was, as stated, because—

The frequent meeting of slaves under the pretense of feasting may be attended with dangerous consequences.

The "feasting" referred to would include the love-feast of the Methodist Church. (Barnard's report, page 339.)

In Alabama, in 1832, an act was passed providing that—

Any person or persons who shall attempt to teach any free person of color or slave to spell, read, or write shall, upon conviction thereof by indictment, be fined in a sum not less than \$250 nor more than \$500. (Barnard's report, page 333.)

In Georgia, in 1829, it was enacted that—

If any slave, negro, or free person of color or any white person shall teach any other slave, negro, or free person of color to read or write, either written or printed characters, the said free person of color or slave shall be punished by fine and whipping, or fine or whipping, at the discretion of the court; and if a white person so offend he, she, or they shall be punished with a fine not exceeding \$500 and imprisonment in the common jail at the discretion of the court.

A penalty of \$100 was provided for the employment of any slave or free person of color in setting up type or other labor about a printing office requiring a knowledge of reading and writing. (Barnard's report, page 339.)

In Louisiana, in 1830, it was enacted that—

All persons who shall teach or permit or cause to be taught any slave to read or write shall be imprisoned not less than one month nor more than twelve months. (Barnard's report, page 350.)

#### PROVISIONS FOR EDUCATION IN THE RECONSTRUCTED STATES.

The constitutions of 1868 and 1869, adopted by the republican party in all the reconstructed Southern States, contained clauses requiring a system of common schools to be free to all the children of the State, that of Florida adding "without distinction or preference," and that of Louisiana "without regard to race, color, or previous condition." These educational clauses met, in every instance, determined and open opposition from the advocates of the old order of things who claimed the title of "conservatives" or democrats. This opposition arose in most cases from a deep-seated hostility to the education of colored citizens upon any terms. In Louisiana, where the constitution of the State declares that—

All the children of the State between the ages of six and twenty-one years shall be admitted to the public schools or other institutions of learning sustained or established by the State in common without distinction of race, color, or previous condition—

the most unhappy condition of affairs has prevailed at times.

In the Louisiana school report for 1870, page 61, the second division superintendent gives among the obstacles in the way of free schools—

The entire lack of sympathy on the part of the oldest and best of the population with the cause of universal education.

In the State report for 1871, page 46, it is remarked, in respect to "the antagonism of a portion of the press and a powerful class of the people" that—

They have maintained an opposition active or passive, as circumstances would allow, to every advancing step which has been taken.

In the fourth division the State superintendent reports, (1874, pages 28, 29:)

Fierce and bitter manifestations of political hatred and sectional partisanship seemed to govern the dominant inhabitants. A fire of hate was kindled in the minds of many of the people.

The school officials were compelled to absent themselves from their homes from fear of personal violence; two of them, the president of De Soto Parish school board and the treasurer of Red River Parish having been murdered in cold blood. Much of this crime is ascribed by the superintendent to the influence of the "conservative" (democratic) press of New Orleans, of which it is said (page 49) that—

In modern history it would be difficult to find such another manifestation of intense caste prejudice, bitter sectional hatred, and fierce political antagonism—as was exhibited at that time by the editorials referred to.

In 1874, shortly after the rebellion in the high schools of New Orleans, which resulted in the expulsion of colored pupils therefrom, the city superintendent was suddenly beset in the street by a dozen or more young men who laid violent hands upon him and conveyed him to the girls' high school, where in presence of the assembled pupils he was compelled to apologize for language he was accused of having used concerning the mixture of races in the schools, and was

also forced to sign a document by which he bound himself to prevent such mixture of races in the schools. (New York Times, December 23, 1874.)

Superintendent Brown, of Louisiana, in his annual report for 1873, in speaking of the dishonesty of the school officials in Louisiana, says:

To even notice such crimes, and by so doing confess their existence, is humiliating.

He says, however, that the reports of division superintendents indicate the absence of official integrity to an alarming degree. In the fifth division the treasurer of one parish had used the school funds on hand for his own purposes; in another, an immense fund was squandered in 1871 and 1872. In the fourth division the retiring boards were characterized by the superintendent as a demoralized, corrupt, inefficient set of men. He found nothing but fraud, rascality, peculation, and open robbery, and these in such hopeless proportions as almost to defy remedy. The same condition of affairs, in greater or less degree, was reported throughout the State.

The New Orleans Republican of March 1, 1874, in alluding to this dishonesty on the part of school officials, says it was no new thing, but that—

The reports of State superintendents for years prior to 1868 teem with complaints against parish treasurers, the majority of whom looked upon the educational fund that came into their hands as legitimate plunder. (See report of Mr. Lusher for 1867.)

The remarks of the State school commissioner of Georgia, Mr. Orr, in his report for 1875, in view of the possibility of the civil-rights bill becoming a law, as it did in the act of Congress of March 1, 1875, illustrate very well the prejudice existing in that section against the education of the two races. He says, page 19:

When it is definitely decided that mixed schools are to be forced upon us, every true Georgian, including the most ardent friends of public schools, will array himself against the system itself.

The civil-rights act did not require mixed schools, and yet the proposal by Congress to enact the bill was characterized by even this earnest friend of public schools as an attempt—

To force the white children of the South into daily contact with moral pollution.

To this intermingling of races he says the people of Georgia never will consent, though willing to do what they can "toward elevating the inferior race."

Separate schools for the education of colored children are provided for in the late slave States, except Louisiana, by laws to which reference may be made as follows:

See school laws of—

Alabama, 1871, article 6, section 3, page 19; article 11, section 4, page 38.

Arkansas, 1871, section 107, page 37.

Georgia, 1870-72, section 20, page 9.

Kentucky, 1874, section 1, page 1, *et passim*.

Maryland, 1872, chapter 18, sections 1-4, pages 17-26.

Missouri, 1872, section 45, page 25. See also section 46, page 26.

North Carolina, 1872, section 20, page 25.

Tennessee, 1873, section 30, page 11.

Virginia, 1873, section 47, page 19.

West Virginia, 1873, section 17, page 12.

In all these States the establishment of free schools encountered prejudice and hostility, which in many cases resulted in open violence and outrage. In Texas the persecutions suffered by those who were laboring for the education of the colored race were as great as in Louisiana, where the system of mixed schools prevailed, showing that the main cause of the hatred of these people to a system of free schools was their opposition to the elevation of the negro upon any terms.

The Texas State school report for 1871 says:

Prejudice of the most unfounded character existed in many large communities against public schools. At every step the school department met with stubborn opposition from factions opposed to free schools. (Page 40.)

Schools for the colored race in particular had to contend with "the bitterness of unfounded prejudice." Few teachers of these schools, says the superintendent—

Have the nerve and hardihood to meet the continual insults, the social ostracism, the threats of injury, and all the annoyances that malice can invent that teachers of colored schools are subject to. Many teachers have essayed to brave all these terrors, and some few have succeeded in conquering, by patience and a long martyrdom, a peace; but in other cases intimidation and ostracism have done their work, and schools are closed for want of teachers. (Page 37.)

In communities of nearly a thousand people these teachers have been unable to procure board and often even lodging. In other instances they were taken from their homes at midnight and whipped by disguised men for no other cause than encouraging the education of the colored race. Others have wended their way to their respective school-houses in the morning only to find the building a heap of ashes, and under such adversities and threats have been compelled to resign their positions, and thus their schools were closed.

In Alabama, too, the school officers in their efforts to establish free schools met not only bitter opposition, but in many instances with insult from the people and scurrility and railing from the press. The most serious and persistent opposition to and disregard of the State system of free public schools were encountered in the city and county of Mobile. In that city gentlemen holding positions as school commissioners "repudiated entirely the authority of the board of education and the school laws enacted by the board," and were sustained by public sentiment in their open defiance of the laws of the State. (Report of 1870, page 11.)



In Mississippi, as well as in many other sections, the school-houses were in various quarters burned and the teachers driven off by mobs.

The State superintendent of schools in Georgia says:

I have labored against open and secret opposition, general apathy, and distrust. Here discrimination was quickly made against the colored people and in favor of those who had borne arms for the confederacy. (Report for 1871, page 20; school law of August 19, 1872, section 8.)

Even when the opposition of the people gradually yielded, the Legislatures and officers of the law continued to throw hindrances in the way of progress. The Legislatures of Alabama, Arkansas, and North Carolina, stimulated by the prejudices of ignorant constituents, threw obstacles in the way of local taxation for the schools, thus either destroying them in country neighborhoods or shortening them down to such brief yearly sessions that no efficient instruction could be given. The same thing was accomplished in Georgia by an opinion of the attorney-general against local taxation for the schools, (Georgia State report 1871, page 9,) the result there being an entire breaking up of free schools for the year 1872-73, with the accumulation of a debt of \$300,000 to the teachers, who had worked in expectation that the local taxes would be paid. (Georgia report 1873, page 5.) In several of the States, as Florida, Alabama, Louisiana, Arkansas, with apparently the plan of destroying the common-school system, it was either allowed to the people to pay their State school tax in depreciated State scrip, or to the superintendents to pay the teachers in the same; the result being that the schools got less than half their proper allowance or the teachers less than half the amount promised them for their work. (State reports, Alabama, 1875, page 10; Arkansas, 1872, page 7.) Schools either utterly abandoned or shortened to three months in the year, with half-starved teachers conducting them in little hope, has been the natural result. In Texas the school law of 1873 so far recognized this existing state of things as to make four months a legal school year, and in Georgia and North Carolina, though the law in the former requires a six months' school and in the latter one of four months, yet this has in fact been utterly disregarded and schools maintained for three months only. (Georgia State report 1875, pages 6-20; North Carolina State report 1872, page 13.)

It is much the same in at least Alabama and Arkansas, with the addition that in the latter State provision has been made for a perpetuation of this short school term by limiting the amount of general taxation for free schools to a capitation tax of \$1 on each person and two mills on the dollar on all property, and restricting the local taxation to five mills on the dollar, out of which can come nothing but an inadequate school fund and at the utmost but three months' schools.

Arkansas in the early period of its history received from the National Government donations of land for educational purposes to the amount of 1,200,000 acres. In 1860 many thousands of acres of these lands were squandered, and according to Governor Henry Rector's statement to the General Assembly, in his annual message, "only twenty-five common schools had been organized and kept in the whole State."

Directly after this came the war, when all the school funds in the treasury were seized and appropriated to carry the State out of the Union and maintain its attitude of rebellion.

When the republicans came into power, in 1868, an efficient common-school system was at once established, and in the four years thereafter 1,778 school-houses were erected and 2,302 schools were organized and in successful operation, 107,308 children were brought under instruction, and the sum of \$2,298,984.79 was collected and expended for public schools.

Then the State passed into the hands of the democracy. A democratic Legislature passed a bill confirming all sales of the school lands sold during the war for rebel war bonds, &c., thus robbing the schools to a large amount; and by various vicious devices the entire system of public-school instruction was broken down and the schools suspended. (Washington Chronicle, 1874.)

The school law of the State of Arkansas, passed under authority of the democratic constitution of 1874, fails to make adequate provision for sustaining free schools even for three months in the year. The republican constitution adopted in 1868 provided:

SEC. 7. In case the public-school fund shall be insufficient to sustain a free school at least three months in every year in each school district in this State, the General Assembly shall provide by law for raising such deficiency by levying such tax upon all taxable property in each county, township, or school district as may be deemed proper.

The democratic constitution of 1874 contained the following:

SEC. 3. The General Assembly shall provide, by general laws, for the support of common schools by taxes, which shall never exceed in any one year two mills on the dollar on the taxable property of the State; and by an annual *per capita* tax of \$1, to be assessed on every male inhabitant of this State over the age of twenty-one years: *Provided*, The General Assembly may, by general law, authorize school districts to levy, by a vote of the qualified electors of such district a tax not to exceed five mills on the dollar in any one year for school purposes.

The school law adopted under this constitution provides that electors of each organized school district in the State shall—

Determine what amount of money shall be raised by tax on taxable property of the district sufficient, with the public-school revenues apportioned to the district, to defray the expenses of a school for three months, or for any greater length of time they may decide to have a school taught during the year; *Provided*, That no tax for purposes aforesaid greater than  $\frac{1}{4}$  of 1 per cent. on the assessed value of the taxable property of the district shall be levied; *And provided further*, That *hey may, if sufficient revenue cannot be raised to sustain a school for three months in any one year, determine by ballot that no school shall be taught during such a year.*

The Missouri constitution, as amended in 1875, is rather an im-

provement than the reverse upon the old, but the provision as to schools met with great opposition and barely escaped rejection.

Under the constitution adopted by the republicans of Texas in 1869 it was provided:

SEC. 4. The Legislature shall establish a uniform system of public free schools throughout the State.

SEC. 5. The Legislature at its first session, or as soon thereafter as may be possible, shall pass such laws as shall require the attendance on the public free schools of the State of all the scholastic population thereof for the period of at least four months of each and every year.

SEC. 7. The Legislature shall, if necessary, in addition to the income derived from the public-school fund and from the taxes for school purposes provided for in the foregoing section, provide for the raising of such amount by taxation, in the several school districts in the State, as will be necessary to provide the necessary school-houses in each district, and insure the education of all the scholastic inhabitants of the several districts.

Section 9 makes it—

The imperative duty of the Legislature to see to it that all the children in the State within the scholastic age are without delay provided with ample means of education.

PROVISIONS OF THE TEXAS SCHOOL LAW PASSED MAY 22, 1873.

The Texas school law of 1873 provided for the election of a State superintendent of public instruction, to hold office for four years, and to receive a salary of \$3,000 a year; also, for the election of a board of five school directors in each county. The president of this board was to be *ex officio* county superintendent of public instruction. The members of the board were to receive pay at the rate of \$4 each per day for every day employed, provided the time did not exceed twenty days for the first year and ten for the second. The county superintendent was allowed \$4 per day for each day actually employed, provided the time did not exceed thirty days in any one year.

The board of trustees were required to provide the necessary schools for the scholastic population, separating the white and colored race, and to see that the schools were attended at least four consecutive months in each school year.

Aside from these limitations of county-school superintendents and other officers to a few days' work for the schools during the year, the school law of 1873, as a whole, would appear, at the first glance, to be reasonably efficient. Its weakness, however, was soon evident to the school officers of the State. The State superintendent remarks, in his report for 1874, pages 38 and 39:

Power should be invested in some one to compel officers connected with the administration of the school law to discharge their duties.

It is true the law gives the superintendent authority to issue instructions and regulations binding on all officers and teachers; but it is equally true that sheriffs and school officers can obey or disregard them just as they please. The superintendent is powerless to enforce observance. The same is true with regard to the authority of county superintendents and boards of directors to enforce observance of their rules and regulations on the part of teachers and trustees.

Authority to direct must be accompanied by power to enforce. In some counties schools have been organized in every district and the doors of the public school-houses opened to every child in the county, thus furnishing evidence of efficiency on the part of the school officers and of a hearty co-operation and liberal support upon the part of the people. In many other counties schools have been only partially organized, leaving many districts entirely destitute, owing in some instances to the neglect of school officers, in others to the antagonism of the popular sentiment, and in still others to the sparsity of population, want of suitable school-houses, and similar unavoidable causes.

The Daily Journal (Texas) of September 29, 1873, says:

Under the republican school law of the Twelfth Legislature, good schools, with competent teachers, were opened in every part of the State, affording to all equal facilities, and kept open eight months in the year. Under the democratic school-law of the Thirteenth Legislature the attendance was reduced one-half.

The great object of the democratic constitutional convention of 1875 was to defeat the school system, or what remained of it. Many of the delegates evinced great hostility to the common-school system and a firm purpose not to vote for taxation for this object. One of them went so far as to say that it was "the school tax that the people complained so much about;" that it was—

The main expense and burden that had induced them to call this convention. They could have borne the other taxes. They want the power of the State to tax for such purposes limited by this body. (Christian Era, Boston, November 4, 1875.)

In respect to the provisions of the new constitution of Texas, submitted to the people and adopted February 15, 1876, the State school commissioner says:

I deem it unnecessary to make any recommendations as to future legislation upon this subject since, by the terms of the proposed constitution, it is for the present impracticable to establish and maintain any general system of public free schools.

The act of Congress of 30th of March, 1870, (United States Statutes, volume 16, page 80,) says:

The performance of these several acts in good faith is a condition precedent to the representation of the State (of Texas) in Congress.

It also says—

That the State of Texas is admitted to representation in Congress as one of the States of the Union upon the following fundamental conditions, namely: \* \* \* Third, that the constitution of Texas shall never be so amended or changed as to deprive any citizen or class of citizens of the United States of the school rights and privileges secured by the constitution of said State.

Now, the constitution has been so changed as to deprive citizens of the school rights enumerated.

The late constitution provided for public schools for at least four months in the year, and also that—

One fourth of the annual revenue derivable from taxation shall be levied and collected for the benefit of public schools.

The new constitution does not make it obligatory upon the State government to levy, collect, or set apart one cent of the revenue derivable from taxation to schools.

The constitution of Alabama, as amended in 1868 by the republican party, makes it the duty of the board of education—

To establish throughout the State, in each township or other school district which it may have created, one or more schools at which all the children of the State between the ages of five and twenty-one years may attend free of charge.

Ample provision is made for sustaining these free schools. In addition to the amount accruing from the school fund, it is provided (section 2) that—

One-fifth of the aggregate annual revenue of the State shall be devoted exclusively to the maintenance of public schools.

SEC. 12. The General Assembly may give power to the authorities of the school district to levy a poll-tax on the inhabitants of the district in aid of the general school fund, and for no other purpose.

SEC. 13. The General Assembly shall levy a specific annual tax upon all railroad, navigation, banking, and insurance corporations, and upon all insurance and foreign-bank and exchange agencies, and upon the profits of foreign bank-bills issued in this State by any corporation, partnership, or persons, which shall be exclusively devoted to the maintenance of public schools.

#### DIFFICULTIES ENCOUNTERED IN TENNESSEE.

Some conception may be formed of the difficulties and hinderances which public-school instruction met in the reconstructed States from a brief account of these in one of them. For instance, the first working superintendent of instruction that came into office in the State of Tennessee states, in his first report, published in 1869, that—

Only here and there had any community complied with any requirement, [of the school law.] Rarely had one here elected directors, and another there taken the census, or another attempted to get a school-house ready. \* \* \* The scholastic population had [under the old law] been reported to the State, and the State fund for distribution had been apportioned and paid out to the trustees of counties. But the State did not know, and could not tell, whether a dollar was expended as the law required, whether it was used for public or for private purposes, or whether there was a school taught or a child taught or not. The provisions of the code had been a dead letter in all respects during the war, and after the re-organization of the State government till the passage of the new law. But the new law was hardly less a dead letter for seven months after its passage, for nothing had been done completely save to levy a tax and proceed with its collection.

Even as to this he says:

The revenue officers of the State assured me that they had no moneys in the treasury; that there having been no schools in operation to call for the money, it had been, in the State's distress, used, like other revenue, to liquidate the State indebtedness.

The comptroller assured me he could not see how the money for school purposes could be spared. Others thought the schools should be delayed in organization till the State had reduced its debt and could conveniently disburse money for education. From other quarters there was expressed a bitter and determined opposition to the organization of schools because the law provided for the equal instruction of colored people. Some declared its passage only a political trick. The deep prejudices and strong passions caused by the war had not entirely passed away. The system was to be launched like a ship upon a sea swelling and surging under the influences of the overpast storm.

With great difficulty and by great exertions the superintendent succeeded in inaugurating the system of instruction that the law provided for and having schools established under it in almost every portion of the State. But so inveterate was the opposition of the old opponents of the system that within a year a democratic Legislature overthrew the whole State organization of instruction, erecting in place of it what is called the county system, by which the whole matter of the establishment of schools is remanded to the discretion of the counties without any obligation that a single school shall be established and without a penalty if none be carried on! The result was that out of ninety-three counties forty-four levied no tax for schools, several others made no report of any action, and the greater portion of the others levied so small a tax that either no schools could be supported by it or the sessions had to be made so short as to destroy all hope of their efficiency. This state of things was too bad for very long endurance, and after two years' trial of it a new school law was enacted restoring the main features of the one that had been overthrown. But even under this a superintendent of instruction who began with ardent hope of accomplishing much for education found great difficulties in his way.

In the State of Virginia the constitution of July, 1869, adopted by a republican convention, made ample declarations requiring common schools.

The democratic Legislatures which have controlled the State since that time have failed to make adequate provision for schools. State officers have been generally elected because of their known opposition to laws which would make adequate provision. The facilities for education are adequate to supply but a small portion of the children of school age. (Globe, volume 75, part 1, page 402, for 1869-70; Paine's speech.)

#### PROVISIONS FOR EDUCATION IN THE NON-SECESSION LATE SLAVE STATES.

In the former democratic slave States which remained within the Union and therefore had no new constitutions with educational clauses included in them imposed after the war, the system of free schools has also found an uncongenial soil and has had to work upward through much opposition.

Delaware and Kentucky have never made any changes in their constitutions to correspond with the requirements made by the fourteenth article of amendments to the constitution in favor of equal privileges for all regardless of race or color.

In Delaware, where the school law of 1829 continued in force until in 1875, the whole question of the establishment or non-establishment of schools was put into the hands of the people of the several school districts, so that in poor and ignorant districts where they were most required they were least likely to be established; and where they

were established they were for white children only, no provision being made by law for any education of the colored population. In the winter of 1875 a law was passed providing for a special taxation of thirty cents on the one hundred dollars of the real and personal property of colored persons for the support of colored schools. These funds, however, were not to be disbursed through the regular school officers, but were given into the hands of the Delaware Association for the Education of Colored People to be dispensed by them. In the words of the law:

SEC. 2. All the moneys collected under this act shall be paid as other taxes to the county treasurer in each county, which he shall keep as a separate fund, and which shall be paid by him to the treasurer of the Delaware Association for the Education of Colored People. The fund arising under this act shall be applied by said association to the support and maintenance of colored schools throughout this State.

The workings of this law up to date may be seen from a statement in the Pennsylvania School Journal of July, 1876, from which it appears that none of the tax referred to has been paid over as yet, and as a consequence only thirteen or fourteen colored schools are now in operation in the State.

In Maryland, where a fair school system was established immediately on the conclusion of the war, the colored population were also wholly ignored at first, and only after lengthened pressing of their claims have succeeded in obtaining, first, a recognition of their need of education, and, finally, a share in the distributable State school fund.

In Kentucky, where a school system was established as far back as 1838, the superintendent of instruction, in his report for 1867, speaks of the legislative bodies of the State as having been almost uniformly unfriendly, indifferent, or evasive as to the cause of popular education, and expresses the opinion that the then declining condition of the school system was chargeable in large degree to the want of appreciation, neglect, or positive hostility of past Legislatures. The large colored population have notwithstanding earnest efforts been unable to obtain for their children any school privileges. And only since the year 1874 has the boon been accorded to them of having their own school fund out of the State taxes paid by them. But as in their poverty these taxes are extremely light, the whole amount which it is estimated they will get from this source is about \$20,000 for 37,000 colored children, against about \$1,000,000 for 437,000 white ones; that is, fifty-four cents for each colored child to \$2.30 for each white child.

Almost the same remarks apply to Missouri as to Kentucky. Obstruction, rather than encouragement, of a truly universal education is the rule in every one of the old slave States where what is called "conservatism"—which means the control of the democratic party—has sway. The colored people get their right to education recognized only through hard struggles, by slow steps, and in the face of a determined opposition.

In this connection I present a table showing the legal school age in the States therein, the money expended in each per capita of school population, per capita of pupils enrolled, and the per capita of average school attendance.

States and Territories.	Legal school age.	Per capita of school population.	Per capita of pupils enrolled.	Of average attendance.
Massachusetts.....	5-15	\$22.00	\$30.00	\$30.00
Connecticut.....	4-16	11.80	12.92	22.50
District of Columbia.....	6-17	11.57	19.51	27.16
Arizona.....	6-21	9.62	42.41	57.66
Colorado.....	5-21	9.38	17.30	29.73
Rhode Island.....	5-15	9.37	12.96	19.09
Montana.....	4-21	8.43	14.36	18.60
Nebraska.....	5-21	7.76	11.42	.....
Ohio.....	6-21	7.76	10.57	17.29
Vermont.....	5-20	7.04	8.80	12.60
Indiana.....	6-21	6.78	9.01	15.06
Iowa.....	5-21	6.75	9.38	15.99
New Hampshire.....	5-20	6.67	11.97	14.97
New Jersey.....	4-21	6.57	7.31	10.41
Minnesota.....	5-18	5.85	9.55	17.97
Maine.....	5-21	5.74	9.29	16.98
Utah.....	4-21	5.41	7.68	12.01
Maryland.....	4-16	5.15	9.53	13.69
Kansas.....	5-20	5.01	9.68	19.99
Arkansas.....	5-21	4.38	5.93	9.99
Dakota.....	6-21	4.06	10.15	17.57
Wisconsin.....	5-21	3.92	7.36	.....
West Virginia.....	4-20	3.64	6.05	.....
Mississippi.....	6-21	2.92	4.68	7.19
Louisiana.....	5-21	2.84	5.38	6.83
Florida.....	6-21	2.45	9.40	.....
Virginia.....	6-21	1.99	5.83	6.69
South Carolina.....	5-21	1.93	5.05	8.96
Tennessee.....	6-16	1.78	3.86	.....
Georgia.....	6-18	1.64	3.53	5.14
California.....	6-19	1.10	2.78	4.50
Delaware.....	5-17	.....	17.09	25.82
	5-21	.....	.....	9.64

To this I will add the following tables. These tables will show that a large proportion of the children in the States of the South controlled by the democratic party enjoy no school privileges, and the reason in good part is that no adequate provision is made.



Table showing number of children between five and eighteen years of age and school attendance in the whole country.

School population.				Attending school.			Not attending school.		
All classes.	White.	Colored.	Total.	White.	Colored.	Total.	White.	Colored.	Total.
Male .....	5,364,635	814,576	6,086,672	3,326,797	68,504	.....	.....	.....	.....
Female .....	5,157,929	806,409	5,968,571	3,067,943	91,778	.....	.....	.....	.....
Total .....	10,422,564	1,620,978	12,055,443	6,414,740	180,372	6,596,466	4,067,824	11,440,608	15,458,977

\* Or 38 per cent.
† Or 88 per cent.
‡ Or 45 per cent.

			School population.			Attending school, all classes.		Not attending school, all classes.				Percentage.		
			All classes.	White.	Colored.	White.	Colored.	Total.	White.	Colored.	Total.	All classes.	White.	Colored.
Alabama .....	Male.....	173,273	91,989	81,274	31,098	7,502	77,139	190,463	144,341	265,837	77	66	90	
	Female..	169,703	82,798	79,882	30,326	8,312								
	Total..	342,976	181,787	161,156	61,394	15,815								
Arkansas .....	Male.....	84,645	64,515	20,118	30,138	2,930	62,573	60,077	33,816	102,920	62	54	82	
	Female..	80,847	61,350	19,492	26,650	2,854								
	Total..	165,492	125,865	39,600	56,788	5,784								
Delaware.....	Male.....	20,185	16,376	3,809	9,862	663	19,965	13,623	6,210	19,842	49	42	83	
	Female..	19,622	16,017	3,605	8,908	532								
	Total..	39,807	32,393	7,414	18,770	1,195								
Florida .....	Male.....	32,873	16,985	15,888	4,195	2,241	12,778	24,652	26,466	51,119	80	74	85	
	Female..	31,024	15,921	15,102	4,059	2,283								
	Total..	63,897	32,906	30,990	8,254	4,524								
Georgia .....	Male.....	206,026	110,345	95,676	33,796	4,898	77,493	151,217	178,795	330,023	81	69	95	
	Female..	211,490	108,014	93,470	33,346	5,453								
	Total..	407,516	218,359	189,146	67,142	10,351								
Kentucky .....	Male.....	230,491	190,737	39,736	91,225	3,590	181,225	202,265	71,018	270,314	50	53	89	
	Female..	234,048	185,031	38,984	82,278	4,182								
	Total..	454,539	375,768	78,720	173,503	7,772								
Louisiana .....	Male.....	112,520	59,036	53,395	20,542	5,467	51,259	78,035	96,662	174,955	70	66	90	
	Female..	113,594	59,122	54,394	19,641	5,690								
	Total..	226,214	118,218	107,699	40,183	11,076								
Maryland .....	Male.....	122,932	94,795	28,127	51,068	3,806	105,435	90,473	48,545	139,019	56	48	86	
	Female..	121,522	93,439	28,082	46,993	3,866								
	Total..	244,454	188,234	56,219	97,761	7,674								
Mississippi .....	Male.....	141,412	66,248	75,084	17,139	2,768	39,141	95,872	143,221	229,859	85	73	96	
	Female..	137,587	63,027	74,475	16,964	2,970								
	Total..	278,999	129,275	149,559	33,403	5,733								
Missouri .....	Male.....	294,316	273,204	21,102	165,792	4,557	324,348	220,288	33,147	253,455	43	41	78	
	Female..	283,487	262,344	21,135	149,408	4,523								
	Total..	577,803	535,548	42,237	315,260	9,080								
North Carolina.....	Male.....	182,421	113,413	68,800	28,357	5,491	63,301	169,716	124,426	294,629	84	76	91	
	Female..	177,509	110,224	67,045	25,511	5,928								
	Total..	359,930	223,637	135,845	53,868	11,419								
South Carolina.....	Male.....	118,509	47,734	70,557	12,731	8,339	41,509	69,472	122,641	192,346	82	73	87	
	Female..	115,406	46,430	68,957	11,961	8,534								
	Total..	23												

Latest returns for year 1875 are as follows, from a personal examination of the records of the Bureau of Education:

*Statement showing the number of children between the ages of 5 and 21 in the Southern States, the average attendance, and the number of school days in the year.*

States.	Ages five to twenty-one; total.	Average attendance.	Whole number of school days, whole year.
Alabama.....	406,370	110,253	864
Arkansas.....	184,692	42,680	140
Delaware.....	94,522	28,306	132
Florida.....	394,037	96,680	100
Georgia.....	437,100	150,000	100
Kentucky.....	274,688	69,229	187
Louisiana.....	318,450	166,894	140
Maryland.....	738,431	192,904	99
Mississippi.....	348,603	97,830	50
North Carolina.....	239,264	136,185	100
South Carolina.....	426,612	136,185	100
Tennessee.....	313,061	125,224	78
Texas.....	482,789	103,927	112
Virginia.....	179,387	79,002	924
West Virginia.....			

\* Estimated.

Arkansas raised <i>per capita</i> by taxation.....	\$0 62
Georgia raised <i>per capita</i> by taxation.....	1 10
Tennessee raised <i>per capita</i> by taxation.....	1 64
South Carolina raised <i>per capita</i> by taxation.....	1 70
Virginia raised <i>per capita</i> by taxation.....	1 93
Maryland, (more than any other of the Southern States).....	5 01
Montana Territory.....	8 42
Massachusetts.....	22 00

EXPENDITURES FOR EDUCATION IN THE SOUTHERN STATES BY RELIGIOUS AND BENEVOLENT ASSOCIATIONS IN THE NORTH.

The American Missionary Association opened a school among the escaping fugitives that took shelter under the guns of Fortress Monroe, September 17, 1861, only five months after the war began. This was the first freedmen's school in the United States, but others soon followed. Nearly all denominations of Christians in the Northern States were aroused to activity, and sent missionaries and teachers to follow up the march of the Army, so that schools quickly took the place of encampments.

During several years after the war this society supported annually upward of five hundred missionaries and teachers in the South, and numbered over forty thousand pupils in its schools. In the last twelve years it has expended in the South, in its educational and religious work, about \$3,000,000. (Report of Trustees of Fisk University, 1876.)

It is impossible to give an exact estimate of the expenditures of the many other religious and benevolent societies of the country (sustained principally at the North) for education in the Southern States during the past decade. Nearly every religious denomination had its share of the good work.

The United States Commissioner of Education in his report for 1871 gives the amount expended by the General Assembly of the Presbyterian Church during the five years ending May 1, 1871, as \$220,704.

The Baptist denomination in the District of Columbia expended \$36,000.

The Freedmen's Aid Society at Cincinnati, before this society was merged in the American Missionary Association, expended \$134,340.53. (Report of United States Commissioner of Education, 1871, page 6.)

#### WORK OF THE FREEDMEN'S BUREAU.

There were expended by the Freedmen's Bureau, established by a republican Congress, for education among the colored people, as reported by Major General O. O. Howard, Commissioner, from 1865 to 1871, the sum of \$3,711,235.04 in cash, and in other expenditures than cash, \$1,551,276.22; total, \$5,262,511.26. (Report of United States Commissioner of Education, 1871, page 6.)

The report of General Howard for 1869 gives some of the results of this work for each year, as follows:

At the end of the first year, July 1, 1866, the official report gave 975 schools, 1,405 teachers, and 90,778 pupils. In 1867 the numbers reported were 1,839 schools, 2,087 teachers, and 111,442 pupils. In 1868 there were 1,831 schools, 2,293 teachers, and 104,327 pupils; and in 1869 official reports give 2,118 schools, 2,455 teachers, and 114,322 pupils. These figures do not include many evening and private schools, which have not been reported. It is believed that not less than 250,000 colored adults and children have received some instruction during the past year.

#### AID RENDERED EDUCATION IN THE SOUTH BY THE PEABODY FUND.

The expenditures of the Peabody fund for education in the South it is estimated have averaged about \$100,000 a year since the beginning of its disbursements in 1868, the total amount, including that expended in 1875, being \$775,390; while the expenditures up to this time would increase the result by about \$100,000 more, making a grand total of nearly \$1,000,000.

But I cannot now go further in a discussion of this subject. I have demonstrated the propositions with which I set out.

And in view of our duties under the Constitution, I will, when I can get the floor for the purpose, offer the following:

Whereas the fourteenth article of the amendments to the Constitution declares that no State shall deny to any person within its jurisdiction the equal protection of the law; and whereas this provision was designed to secure to all citizens the equal benefit of all laws: Therefore

Resolved, That the Committee on Education and Labor be, and are, instructed to ascertain whether in any one or more States an equal opportunity for common-school education, including school privileges for equal time, is secured to colored and white children; and, if not, that said committee report such bill as may be proper to enforce the Constitution in this respect.

#### Internal-Revenue Laws—Cigar Manufacturers Unfairly Taxed and Restricted.

### SPEECH OF HON. A. S. WILLIAMS,

OF MICHIGAN,

IN THE HOUSE OF REPRESENTATIVES,

August 15, 1876,

On the bill (H. R. No. 3926) to amend the laws relative to internal revenue.

Mr. A. S. WILLIAMS. Mr. Speaker, it is to be regretted that the bill to amend the internal-revenue laws reported from the Committee on Ways and Means cannot be acted upon this session. It contains many just and salutary amendments of the existing unnecessarily harsh laws. There are, I think, however, some points affecting an interest which has become in this country one of great magnitude that have been overlooked by the committee, and upon which I shall propose amendments when this bill is considered by the House. I refer to the cigar-manufacturing interest, which in the last fiscal year paid into the Treasury over \$10,000,000 as a revenue tax, and which, if fostered by a fair and just policy of taxation, would supply the entire demand of the nation for cigars, whether of foreign or domestic tobacco. We imported in the last fiscal year 57,345,000 cigars, mostly from Cuba, the manufacturing of which would have been added to our own industries but for the unfair discrimination of the taxes (customs and excise) against our own manufacturers. The statements contained in a circular which I shall append to my remarks furnish abundant proof that the further change proposed in a pending tariff bill will work still more to the disadvantage of our own manufacturers without benefiting our revenues.

Several very excellent speeches have been made during the present session upon the harshness, the irregularities, and the frauds in the administration of our revenue laws; but very little has been said touching the defects of the laws themselves. These are very manifest in the harsh, restrictive, and wasteful character of some of the provisions respecting the important interest I am now considering. And to these unwise provisions has been added by the administrative department of the Government a system of regulations in some instances arbitrary and despotic, the enforcement of which is confided to agents whose actions are not unfrequently controlled by interested motives or governed perhaps by some spasmodic impulse or idea as to the obligations of his official duty.

A year or so ago a revenue official, since come to grief in the whisky rings, appeared in the commercial metropolis of the State I have the honor in part to represent and suddenly pounced upon and seized all the cigars of the largest manufacturers of that city. It had been the practice of all these manufacturers, under the consent and advice of the revenue collector, to remove their cigars from one room to another of the same building (licensed as a manufactory) for the convenience of packing and storing, and stamps were not affixed until they were ready for delivery and removal from the building used as the manufactory.

Even the harsh regulations of the Revenue Bureau provide that cigars, cheroots, and cigarettes only when "removed from the place of manufacture must have affixed and canceled proper internal-revenue stamps," &c.; and again, declare forfeited only "cigars removed from any manufactory or place where cigars are made," &c. And yet this official guardian of the revenue laws, overruling the clear meaning of the law, the decision of the local collector, and the trade usage of years, of his own uninstructed volition takes into his possession tens of thousands of property of honorable and honest men and levies upon them a fine in addition to the heavy expenses and losses of this most atrocious proceeding. And this is by no means a solitary instance of the "insolence of office" practiced in the execution of the laws by a swarm of peripatetic revenue agents.

No one certainly will question the obligation of the Government to guard with vigilance these important sources of our national revenue, or that the revenue laws, whether of imposts or excise, should be carefully and rigidly enforced. But an excessive multiplicity of penal revenue laws, hedged around with vexatious and useless conditions of bonds, oaths, registrations of residences, and the like provisions of some parts of our laws, enforced by regulations of doubtful



legality and of varying and uncertain construction, to be put into execution by a swarm of political traveling agents, seldom produce salutary results, either upon the prosperity of industrial trades, or upon the fair and full collection of the revenues, or upon the successful and impartial administration of the laws, or upon the moral character of the people. The ancient penal code of England, that imposed the death penalty upon minor and insignificant offenses, effected no diminution of crime, but rather aggravated the criminal spirit of the offenders. Honest officials, not mere political agents, are more needed than severer laws and regulations. The following may be considered some of the principal provisions of the internal-revenue laws relative to the cigar manufacture that require amendment or repeal.

First. Section 3244 of the Revised Statutes, seventh subdivision, which imposes a tax of \$500 upon retail dealers in leaf-tobacco upon \$1,000 of sales and fifty cents upon each dollar of sales in excess of the first \$1,000 of sales.

Dealers in leaf-tobacco pay a special tax of \$25, and their sales are limited for home consumption to other dealers, who have paid a special tax, and to manufacturers of tobacco, snuff, and cigars, and they can sell only in original package.

Our cities and larger towns abound in a class of cigar manufacturers of small means who do their work at home, aided perhaps by their families. They have not the means to buy a whole original package of imported or domestic tobacco, costing several hundred dollars. They are, therefore, driven to purchase of the retail dealers in leaf-tobacco, and thus pay *fifty per cent. more* for their raw material than the larger manufacturer, who is able to buy from the "dealer in leaf-tobacco" and in the original packages. The poor and the rich cigar-maker affix the same stamp value to the box of manufactured cigars, but the poor cigar manufacturer by the operation of these laws pays fifty cents more upon each dollar's cost of the material upon which he expends his labor. He is deprived of the privilege of competition and deprived too of a source of livelihood and support for himself and family. The discrimination is severe and unjust, and should be removed by allowing all licensed manufacturers of cigars to purchase leaf-tobacco in large or small quantities of any licensed dealer or other licensed manufacturer of cigars.

Second. The present law compels a total erasure of stamps from cigar-boxes, but it prohibits the further use of the boxes, even after the stamp has been "utterly destroyed."

It is estimated that the cost value of boxes thus uselessly wasted or destroyed amounts to a million and a quarter of dollars annually, and probably with other tobacco packages there is a senseless destruction of over two millions a year in boxes and packages. The effect has been to increase the price of cigar-boxes (all made of foreign wood) in western markets from six cents to fifteen cents each. It is now a penal offense to be found in possession of an empty cigar-box, even when the stamp has been wholly erased.

Third. Every cigar-maker is required to register his name with the revenue collector, and the place of his employment, under a penalty of \$5 for each day's neglect.

This is an odious and onerous requirement not exacted in any other cases from operatives, and is not of the least practical utility. The pending bill, I am glad to see, repeals this offensive and absurd provision.

Fourth. Another useless and onerous hindrance to the free exercise of the cigar-maker's trade is the exaction of a bond with sureties. What with registrations, statements under oath, severe penalties for violation of revenue laws, frequent inspections, and numerous other contrivances and provisions to secure the stamping of manufactured cigars, the bond, it would seem, might safely be omitted. It excludes thousands of men of small means who are unable to furnish the required sureties from following their professional occupations, which would furnish an abundant support for themselves and families and in reality adds nothing to the abundant safeguards that the law already provides for collecting its revenue duties.

Fifth. The act of March 3, 1875, increased the tax on domestic cigars from \$5 to \$6 per thousand, without increasing the duty on foreign cigars, thus giving further advantages to the foreign manufacturer, whose cigars are admitted at a comparatively low duty, while the foreign tobacco which enters into the manufactured cigar of our own workmen is taxed from seventy-five cents to eighty-five cents per pound; over three times greater than the tax paid on any other kind of manufactured tobacco.

Sixth. Section 3397 of the Revised Statutes prohibits the removal of any cigars from a manufactory or place without being packed and stamped. The official construction of what is a "manufactory" has been uncertain and variable and the cause of great annoyance and expense to the manufacturer. I have already spoken of an instance of oppressive practice under this provision. When a building is licensed as a manufactory of cigars common sense would suggest that all the rooms of the entire building could safely be used for manufacturing purposes. The revenue officials conflict in their decisions. In one case I have seen a lattice fence made across a lower room of a large building by order of a revenue agent to define the limits of the factory across which the unstamped cigar could not pass with impunity!

This section requires amendment so as to permit the manufacturer

to use his whole factory building for his licensed purpose. He should be limited solely to the building used as his factory.

It is the duty of the Government to encourage the home manufacture of cigars. It is an interest which has grown with wonderful rapidity, giving employment to tens of thousands of worthy men. It would extend to a supply of our entire home demand but for the disadvantages arising from unequal duties and taxes upon domestic and foreign products and manufactures of tobacco and the onerous and useless restrictions and hinderances of the revenue laws. A judicious revision of the internal-revenue law relating to this branch of industry will give profitable employment to thousands who are now struggling for a bare livelihood or are actually unemployed by reason of unwise national legislation, and it would add millions to a source of revenue that now pays over ten millions on manufactured cigars annually into the Treasury. I incorporate into my remarks the subjoined statement from experienced manufacturers bearing upon the operations of the present tariff laws, and showing the existing and proposed discriminations against our own people in one of the important branches of home industry.

This circular says:

In reference to the proposed rates of tariff on tobacco and cigars, (40 cents per pound for the former and \$3.50 per pound for the latter,) we will prove to you by statistics and facts that the Government is not benefited, nor the manufacturers protected. Under the present tariff there has been imported into the United States, according to the statement of Mr. Edward Young, Chief of the Bureau of Statistics, during the fiscal year ending June 30, 1875, 57,347,000 Havana and other foreign cigars, whereas the manufacturers of the United States have produced and stamped 1,869,317,000, or nearly thirty-three times as many, which is sufficient proof that the manufacturers' interest is a very significant one and should have much weight and consideration before Congress. Should the proposed tariff become law the manufacture of fine cigars, which constitutes a leading feature in this branch of industry, would receive a heavy blow, and those enterprising manufacturers, who are established all over the United States, and whose specialty is to make only high grades of cigars to compete with imported Havana cigars, are men who contribute immensely toward the revenue, besides giving employment to many thousand workmen.

The price of Havana cigars imported to this country is from \$60 to \$100 per thousand; shipping expenses and export duties accruing thereon before leaving Cuba are about 12 per cent., and to show you how disadvantageously the proposed tariff compares with the present one and would work against both the Government and the manufacturers, we give you figures, as follows:

One thousand cigars, Havana, cost \$60 gold, weighing twelve pounds.

	Present tariff.	Proposed tariff.
Cost .....	\$60 00	\$60 00
Twelve per cent. export duties and expenses .....	7 20	7 20
Total .....	67 20	67 20
Twenty-five per cent. <i>ad valorem</i> .....	16 80	42 00
Twelve pounds, at \$3.50 .....	42 00	
Twelve pounds, at \$2.50 .....	30 00	
Total .....	114 00	109 20
Loss to the Government on each thousand .....		4 80
Total .....		114 00

Reduced protection to the manufacturers .....	\$4 80
Proposed increase of duty on tobacco, 5 cents per pound, taking thirty pounds to one thousand cigars .....	1 50
Total .....	6 30

Again, one thousand cigars, Havana, cost \$100, weighing fourteen pounds.

	Present tariff.	Proposed tariff.
Cost .....	\$100 00	\$100 00
Ten per cent. export duties and expenses .....	10 00	10 00
Total .....	110 00	110 00
Twenty-five per cent. <i>ad valorem</i> .....	27 50	49 00
Fourteen pounds, at \$3.50 .....	49 00	
Fourteen pounds, at \$2.50 .....	35 00	
Total .....	172 50	159 00
Loss to the Government on each one thousand .....		13 50
Total .....		172 50

Reduced protection to the manufacturers .....	\$13 50
Proposed increase of duty on tobacco, 5 cents per pound, taking thirty pounds to one thousand cigars .....	1 50
Total .....	15 00

This proposed tariff would hardly increase the consumption, and to equalize the amount of revenue derived from the present tariff the imports would have to increase at least 30 per cent. The proposed increase of 5 cents per pound on Havana tobacco will not, in our judgment, benefit the Government any, and we are confident the present rate is all the article can stand, and any change could only result in a diminished revenue. We would finally request in the present already depressed condition of our tobacco leaf and cigar manufacturing trade not to change the present ruling tariff.

## Economy, Retrenchment, and Reform.

## SPEECH OF HON. JOHN REILLY,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

August 15, 1876,

On economy, retrenchment, and reform.

Mr. JOHN REILLY. Mr. Speaker, at the commencement of the present Congress we were confronted with the fact that the country was in a greatly depressed condition, many of the great manufacturing industries closed and the workmen thrown out of employment, and of those that continued business the employes receiving low wages and not being employed full time, trade of all kinds dull and unprofitable; distrust prevailed in monetary circles, and failures and bankruptcies were numerous, nearly eight thousand failures being reported during the year with losses of over \$200,000,000; and this does not represent the larger number of poor men whose properties have gone at sheriffs' sales, under the hammer, for amounts so small perhaps that in the great monetary reports they would not be dignified with the name of failures, but they probably entailed greater suffering than some whose figures were large enough to admit into the reports. With the country in this condition, what was the duty of the Representatives of the people called together to legislate in their interest? There could be but one answer to that, a prompt reduction of the expenditures in every branch of the Government, and that the House of Representatives proceeded to do, with the following result: The estimates presented by the Departments for the fiscal year ending June 30, 1877, for the twelve regular appropriation bills, were \$173,590,822.43; this was reduced to \$109,244,140.42 by the House of Representatives, making a reduction from the estimates of \$64,374,672.06, and \$38,910,984.29 under the appropriations for the year ending June 30, 1876.

The necessity for these reductions will be apparent to every business or thinking man in the country who may give the subject any attention.

In the organization of the House I was assigned to duty on the Committee on Military Affairs, and from service on that committee can speak more particularly on the proposed reduction of expenses in the Army than of the other branches of the service. Early in the session a circular letter was sent to a large number of the old and experienced officers of the Army to ascertain their views on the reduction of expenses, in order that there should be none made that might injure the service in any way. Quite a large number were examined before the committee, and their testimony and the replies of the others are to be found appended to the report of the committee, No. 354, report and testimony making a document of two hundred and thirty-four pages. One of the inquiries was as to the propriety of transferring the Indian and Pension Bureaus to the War Department, and that being one that promised the greatest saving I take that up first.

General Sherman on that answers:

The transfer of the Indian Bureau would result in economy and efficiency. \* \* \* I firmly believe that the Army now occupies the positions and relations to the great mass of the Indian tribes that will better enable the Government to execute any line of policy it may deem wise and proper than by any possible system that can be devised with civil agents.

The following are extracts from the testimony of Lieutenant-General Sheridan on the subject of the transfer given before the committee:

Mr. THORNBURGH. In the absence of the chairman of the committee, I will ask you to give your opinion as to the propriety of changing the conduct of Indian affairs from the Interior Department to the War Department. In your answer to the question you may give fully your views connected with that subject.

General SHERIDAN. I have always been in favor of the transfer of the Indian Bureau to the War Department. It would relieve the military establishment of great expense and much annoyance. We could diminish the number of posts and be enabled to establish new agencies, when required, at posts already established, instead of being required as we now are to establish a new post for every new agency. This transfer would put an end to the conflict of authority occurring constantly between Indian agents and Army officers; and would also relieve the Government of very much of the expenses of the Indian Bureau, such as pay of agents, &c.

Question. Please state in detail how the building of a post accumulates expense.

Answer. The first expense is the money necessary to construct the buildings; then the transportation of troops and all kinds of supplies which are required at these remote points.

Q. You think that the expense to the Government in looking after its Indian affairs would be much less by reason of the transfer?

A. To come squarely at the subject, should the Indian Bureau be transferred to the military, I have not the least doubt that the Secretary of War would modify his estimates for the coming fiscal year to the amount of \$3,500,000, and this will only be a commencement. I have the assurance of the Secretary for this reduction.

By Mr. COOK:

Q. In addition to getting rid of the expense of Indian commissioners, &c.?

A. Yes, sir; I am speaking of reduction in our own expenses, not what may be saved in Indian affairs. The reduction above referred to, I wish it to be understood, does not embrace the reduction which can be made in the Ordnance, Engineer, Subsistence Departments, &c.; it means the saving we can make in the disbursements through the Quartermaster's Department; and I repeat the sum, \$3,500,000.

By Mr. THORNBURGH:

Q. And that amount could be saved?

A. The Secretary could strike off that amount from the estimates of Army ex-

penses proper, such as regular supplies, transportation, purchase of horses, incidental expenses, &c.

Q. Please state how you think the Indians would be benefited.

A. It is my belief that if the Indians had been in the hands of the military there never would have been any Indian wars of any consequence. There would be a power over them which would make them respect persons and property, and they would respect that power. The attempt is now being made to govern these Indians without exercising any power over them at all, by simple suasion, while at the same time we acknowledge the necessity of having the severest laws for the government of intelligent white people.

By Mr. STRAIT:

Q. They seem to trust the officers of the Army more implicitly than they do civilians, do they?

A. Yes, sir. The military will never make a promise without fulfilling it; while at present there are almost nothing but broken promises, arising much from the fact that the Indian Bureau has not the necessary organization or machinery to fulfill its promises.

By Mr. REILLY:

Q. One of the objections we hear urged against the proposed transfer is that the Indians when placed on reservations need to be taught to take care of themselves, to be trained in agriculture and the industrial arts, and that the Army cannot give such instruction. Why cannot the Army, employing men who have knowledge of the business, give such instruction just as well as it is given under the present management?

A. They can do it a great deal better, because the military could, to some extent, compel the Indians to labor on individual tracts of land. I have had considerable experience in this reservation system for Indians, and it works well. I even obliged them to send their children to school.

By Mr. TERRY:

Q. Under the present system, you have one set of disbursing officers for the Army, issuing rations, &c., and another set under the Indian Bureau?

A. Yes, sir.

Q. Could not those functions be concentrated in the Army officers without any additional expense?

A. Yes, sir; there would be no additional expense except from the transportation of additional supplies, and we could transport cheaper than the Indian Bureau, because we have a much better machinery.

Q. You have the Army wagons and teams?

A. Yes, sir.

Q. Transportation for the Indian Bureau has to be done by contract with civilians?

A. Yes, sir.

Q. Is not that often a very profitable business to civilians who get the contracts for transportation?

A. Yes, sir; for instance, the Spotted Tail band had its agency on the Missouri River at the Wheelstone agency, where all supplies could be landed from steamboats, and it was thought best to move it out on White River, (a distance of about two hundred and fifty miles,) for no other purpose, in my belief, than to employ wagons. Certainly the new is not half so good as the old agency; and we have been forced to the expense of constructing a new post to protect the agent and Indian supplies.

Major-General Winfield S. Hancock replies as follows:

I believe it would be a decided advantage to the country, to the Indian, and the pensioners to transfer those Bureaus to the War Department, and in regard to Indian matter especially, I may say that I believe there is no motive save the interests of the Indians and those of the country, which would lead Army officers to advocate or advise such a transfer, for it could but add to their labors and responsibilities, and would invite hostile criticism injurious to the Army at large, should cases of maladministration by individuals occur.

Major-General Irvin McDowell says of the transfer:

One of the great advantages of such a system would be to take this Indian question—the administrative part of it—out of politics, and correct the frauds on the Indians, either in the original contracts for supplies or in the distribution of them, which has been for generations a reproach to every administration of our national affairs.

But it is unnecessary to quote further from the testimony of the officers; but one brigadier-general opposes the transfer. Out of sixty colonels, lieutenant-colonels, majors, and captains, but two oppose the transfer. Civilians who have had experience among the Indians earnestly indorse the transfer as the only means of securing the Indian his rights under the treaties and avoiding wars with them, and nearly all the evidence pronounces their management under the Interior Department an utter failure. William Welsh, of Philadelphia, who was chairman of the board of Indian commissioners appointed by the President, and was an earnest worker for the civilization of the Indian, says in his testimony, speaking of the investigations of the board:

The governor of each Territory was *ex officio* the superintendent of Indian affairs and had the control of appropriations and usually shaped the expenditures politically. In some of the States that were formed out of Territories occupied by the Indians we were not able to trace above 85 per cent. of the appropriations to their proper use. That is, where the superintendent of Indian affairs had been the governor he had used the appropriation for political purposes, and in many instances gentlemen were promoted politically by the patronage of the appropriations for Indians.

And, although opposed to the transfer, he says:

If we cannot free the present system from violent political control, there would be very many advantages in the War Department beyond a doubt.

The board of Indian commissioners failed to free the management from political control, and Mr. Welsh retired therefrom and now acts independently in what he does for the Indians. For twenty-seven years the Indians have been under civil administration, and the evidence and results prove that it has been fraudulent to both the Government and the Indian and cost many lives by the wars it has provoked. The expense of Indian wars for the last twenty years is estimated at over \$100,000,000. (See testimony of General J. B. Sanborn and Dr. Walter A. Burleigh, pages 213 and 216 committee's report.) The evidence and report of the Committee on Indian Affairs is as strongly in favor of the transfer. Both the committees report-



ing in favor of the transfer, the bill was passed in the House on April 21 last and went to the Senate, where it still remains without the action of that body.

On March 29 the House passed the bill reducing the pay of the Army officers. This bill reduced the expenses \$500,000, reducing the pay of the higher grade of officers; the pay proper of colonels, lieutenant-colonels, majors, captains, and first lieutenants not being reduced; second lieutenants were reduced to \$1,200 per annum not mounted

and \$1,300 per annum mounted, for the first four years' service only; chaplain's pay was reduced to \$1,200 per annum, the pay of the enlisted men not being reduced; a reduction of eighty officers as extra adjutants and quartermasters, (regimental.) Fuel, officers' quarters, transportation, &c., make up the sum of reductions by this bill. That it was a reduction proper to be made in the present condition of the country will be readily seen by any one who will examine the following table:

Pay and allowances of general officers during the fiscal years of 1860 and 1875.

Grade.	Paid by Pay Department.						Paid by Quartermaster's Department.				Pay and allowances of each grade.	Number of officers of each grade.	Total pay, &c., of all the officers of each grade.
	Pay proper.	Rations for self and servants.	Pay and clothing for servants.	Double rations for self.	Forage for horses.	Total paid by Pay Department.	Money value of quarters.	Money value of fuel.	Money value of forage.	Total allowed by Quartermaster's Department.			
Fiscal year 1860:													
Brevet Lieutenant-General	\$3,240 00	\$4,831 20	\$648 00	\$4,392 00	\$600 00	\$13,711 20	\$648 00	\$294 64		\$942 64	\$14,653 84	1	\$14,653 84
Brigadier-general, (line) ..	1,488 00	1,647 00	486 00	1,317 60	288 00	5,226 60	540 00	369 73		809 73	6,036 33	3	18,108 99
Brigadier-general, (staff) ..						5,226 60				809 73	6,036 33	1	6,036 33
Total .....													38,799 16
Fiscal year 1875:													
General .....	13,500 00					13,500 00	13,600 00		981 91	4,581 91	18,081 91	1	18,081 91
Lieutenant-General .....	11,000 00					11,000 00	1,296 00	479 60	818 26	2,593 86	13,593 86	1	13,593 86
Major-general .....	7,500 00					7,500 00	1,296 00	479 60	818 26	2,593 86	10,093 86	3	30,281 58
Brigadier-general, (line) ..	5,500 00					5,500 00	1,000 00	378 40	654 61	2,113 01	7,613 01	6	45,678 06
Brigadier-general, (staff) ..	5,500 00					5,500 00				2,113 01	7,613 01	7	53,291 07
Total .....													160,926 43

NOTE.—The allowances paid by the Quartermaster's Department, as stated in the above table, are based upon the supposition that the officers were stationed in Washington City.

\* This amount represents the money value of fuel for the Brevet Lieutenant-General for the last half of the fiscal year 1860. The Quartermaster's Department reports the money value for the first half of said year as "not found."

† Quarters and fuel. (Act July 25, 1866, volume 14, page 223, and section 1970 Revised Statutes.)

BENJ. ALVORD.

Paymaster-General United States Army.

PAYMASTER-GENERAL'S OFFICE, March 6, 1876.

This bill also went to the Senate and remains there without action. The bill for the re-organization of the Army passed the House June 1.

1. It consolidated the ten cavalry regiments into eight and the twenty-five infantry regiments into twenty, consolidated the Quartermaster's and Subsistence Departments into one called the "Department of Supplies," reduced the number of staff officers and officers in Pay and Medical Departments, made no reduction in the privates, and it is believed left the Army in a better condition than with the larger number of regiments and fewer men to each. That the increased size of the companies by the consolidation of the regiments is economical and renders them more efficient is testified to by General Sheridan, as follows:

If you increase the size of the companies you diminish the expense. One great item of expense at present arises from the fact that the companies are so small as to be non-effective. In order to get an effective body of men for any purpose, it is necessary to take three or four companies from different places. That kind of management is, of course, expensive; and that is what we are obliged to resort to at present.

In making up the Army appropriation bill these reductions were considered, amounting to over \$1,106,000 annually when all the reductions proposed were reached; but the Senate refused to agree, and the saving was lost for the present. This bill also provided for the traders at the military posts, restoring the post councils of administration, to prevent any recurrence of the recent disgraceful sales of post-traderships, which caused the downfall of one of the highest officials in the Department. That was bad enough, to rob the living soldier through the sale of the post-tradership, which compelled him to pay (through the high prices charged for his few necessities outside of "hard-tack and bacon") the man who above all should have seen that he was protected from fraud; but it was not enough that the living should be robbed; the dead had also to come in for a share. Contracts for head-stones for the gallant dead were manipulated so as to reach favorites at prices higher than other bids, which by a unanimous report of the Committee on Military Affairs was pronounced a violation of law. In addition to this, grave charges (the investigations of which are not yet completed) are made against the management and control of the national homes for disabled volunteer soldiers.

From the report of the Committee on Naval Affairs it would seem that our naval affairs are in very bad condition, and its management so bad that the Secretary of the Navy is severely condemned, and a resolution referred to the Judiciary Committee to examine the testimony, and, if it warrants it, report articles of impeachment against him. The report is signed by eight of the eleven members of the committee; the minority report signed by three of the committee, receiving but 54 votes in the House, after an attempt to withdraw it had been made.

The following extracts from the testimony taken will explain why

such a condition of affairs exists in the Navy. Rear-Admiral John J. Almy, commanding North Pacific squadron, says:

[Extract from reply to circular letter.]

Without meaning or intending the slightest disrespect, I will say, and consider it my duty to say when thus called upon to express an honest official opinion, that politics have been the bane of the Navy. If the workings of the Navy have been found to be wrong and rotten, politics have been at the bottom of it. It has been so with both political parties. I have been in the Navy for forty-seven years, and I speak the opinion of the day from my own knowledge.

Wherever a navy-yard is located, a member of Congress whose constituency is located in that vicinity and district has in many respects the command of that navy-yard, which I will explain:

At the present day the commandant at the navy-yard and other officials connected with it, who are responsible for the amount of work done and the money expended, have little or nothing to say about the taking on or the discharging of master-workmen, of foremen, or other mechanics, and therefore these officers should not be held accountable or responsible for the skillful character or the amount of work that is done. The member of Congress or a committee of the party in power regulates the appointment, admission, and discharge of the mechanics and workmen.

This political business is carried so far that the Mare Island navy-yard is called "Mr. Sargent's navy-yard," as he exercises all-powerful political control over nearly all the appointments and discharges of men.

It is even carried so far that Mr. SARGENT procured for a man the appointment of "bumboatman," (who supplies the sailors with fresh bread, fruit, &c.) which indicated that the sailors must buy their little luxuries from this man, and no one else, without being permitted the privilege of a selection.

At other navy-yards it is about the same thing, which you will readily find by inquiry. I regret to say it, but it is unfortunately the fact. The Norfolk navy-yard was called "Mr. Platt's navy-yard," when he was in office and power. The Brooklyn and Charlestown navy-yards are usually called after the member of Congress of the navy-yard district, whoever he may be, for they all exercise this powerful influence and control. They know it and take delight in it. The Government, economy, and efficiency suffer by it, of which I am fully aware.

I have heard it stated many, very many times, and with semblance of truth, that officers of the Navy have inspected stores and material furnished by contractors, and also inspected work performed, and rejected them and refused payment on account of not coming up to the standard as specified in the contracts.

The Secretary of the Navy has, notwithstanding this, ordered the stores and material to be received and payment made for them and for work performed. But in these cases it has been as often alleged, and with semblance of truth too, that members of Congress, friends of the contractors, press upon and force the Secretary to this action.

Whether or not these evils can be and will be corrected depends upon you gentlemen of Congress. They certainly should be eradicated in order to insure integrity, economy, and efficiency in the administration of naval affairs.

Little did the gallant admiral think while writing the above from his flag-ship on the Pacific coast, thousands of miles away from "Mr. Platt's navy-yard" and Charlestown navy-yard, which he could with equal truth call "Mr. Frost's navy-yard," that he would be so fully confirmed in what he said as he is by the following extract taken from the reports in the contested-election cases in the districts named.

CHARLESTOWN NAVY-YARD.

It is clearly shown by the correspondence here inserted that the object of the Navy Department at Washington, and Hanscom, Chief

of Bureau of Construction, was to secure a sufficient number of votes to insure the election of the sitting member.

[Private.]

BOSTON, MASSACHUSETTS, October 23, 1874.

MY DEAR COM. I wish you would approve requisitions for men to be employed as they may be made until the 1st of November. Some fifty additional men has allowed from the Chelsea district, and I suppose some more will be required from Gooch's district. The Administration desire the success of Gooch and Frost.

Yours, respectfully,

I. HANSCOM.

Com. E. T. NICHOLS, U. S. N., Commandant.

(On envelope: Revere House, Boston. Private. Com. E. T. Nichols, U. S. N., commandant navy-yard, Boston. (Exhibit B, G. M. H.)

The report of the Committee on Expenditures in the Navy Department recommended the dismissal of Hanscom for his connection with a fraudulent claim of Tilton, Wheelright & Co. for over \$32,000, which was paid.

NAVY-YARD, BOSTON, NAVAL CONSTRUCTOR'S OFFICE,

December 4, 1874.

COMMODORE: In obedience to your order of this date, I respectfully report as follows:

Between the 1st and 31st of October last there was taken on the rolls of this department by requisition five hundred and eighty-six men.

The employment of these men was authorized by the Bureau's orders dated the 7th, 10th, 12th, and 16th October, 1874.

Very respectfully,

J. W. EASBY,  
Naval Constructor, U. S. N.

Commodore E. T. NICHOLS, U. S. N.,

Commandant Navy-Yard.

The evidence further shows, in this connection, that a large number of the employés, in consequence of having no work, were idle a great portion of the time, playing checkers, holding meetings, loafing, &c.

William B. Splaine, witness, (page 112:)

Interrogatory 3. Who was the foreman of your department in the fall of 1874? Answer. Thomas J. Marston.

Int. 4. About how many men were then employed in his department on November 1, 1874?

A. Between forty-five and fifty-five men, as high as I can recollect.

Int. 5. How many of these men were actually employed on the Saint Mary while she was at the yard?

A. I should judge, on an average, not more than three or four.

Int. 6. Was there sufficient work to keep the men employed at in your department about November 1, 1874?

A. No.

Int. 7. Were there many men idle about that time?

A. I should judge about half, loafing around, doing nothing; no work for them.

Int. 8. About November 1, 1874, did you go through the various departments in the navy-yard during working hours? If so, please state what you saw.

A. I had occasion to go from where I worked several times to the blacksmith-shop, which was quite a distance, and also went to different shops in my department several times. Saw lots of men loafing in every place I went to. Saw men playing checkers during working hours. Saw men holding a kind of a meeting in a cellar under the place where I was at work.

Int. 9. How many men playing checkers; how many looking on?

A. Two playing; eight or ten looking on.

Int. 10. How many men were there at this meeting or caucus of which you have spoken?

A. The cellar was pretty full. I should judge there were between fifty and sixty men.

Int. 11. Did the men employed in the yard seem to be actively employed or otherwise?

A. Otherwise; they seemed to be loafing around, doing nothing; that is, the majority.

For once this interference failed of its object, the Committee on Contested Elections awarding the seat to Mr. ABBOTT, Mr. Frost being remanded to "his navy-yard."

"Mr. Platt's navy-yard," Norfolk, Virginia, seemed to be handled equally well, if not better, the men, as shown by the testimony, being assessed and notified on a regular printed form issued from the custom-house to the foreman in the yard, with orders to "make collections and mark paid, or why." They do not seem to have missed any one, from the foreman to the water-boy, as the following rates of assessment show:

Foreman.....	\$20 00
Quartermaster.....	10 00
Eighthman.....	5 00
First-class machinist.....	3 25
Second-class machinist.....	3 00
Labouring-man.....	1 75
Water-boy.....	1 02

That this assessment was carried out is shown by the following testimony of V. O. Cherry:

Question 6. Did you witness any intimidation of voters there that day, or see or hear anything from navy-yard officials calculated to influence the voting of the employés in the yard improperly? If so, please state all you know about it.

Answer. I live near the polls of the fourth ward, and was at the polls. I was at the polls, I guess, about twenty minutes after the polls opened, and staid until about twenty minutes of eight o'clock, time enough to get to the yard. I saw Mr. Barney Rutter—he is considered one of the leading men in the navy-yard—standing at the polls within six or eight feet of the ballot-box. He was the only one of the republican party at that time that had republican tickets. He would issue no tickets to any one unless they were in line going up to vote, and I heard him on several occasions tell the men not to put their hands in their pocket. I asked him why he done so. He told me he wanted to see how the men voted. I heard him refuse to give out tickets unless the men were in line.

Q. 7. Was he standing in a position so that he could see the voter from the time he received his ticket until it was deposited in the ballot-box?

A. He was.

Q. 8. Do you know whether any pecuniary assessment was made upon the men employed in the navy-yard for Mr. Platt's purposes in the campaign, and whether it was generally paid or not?

A. I do, sir. Mr. Burroughs, a quartermaster in whose gang I was working at the time, brought a circular down to us between twelve and one p. m., and made use of the remark, "I have got something here for you men to look at and see what you are going to do." He showed it to us. He was assessed \$10. First-class mechanics were assessed \$3.25; second class, \$3, or according to whatever a man got, he had to pay a day's pay.

Q. 9. Did the men, as a general thing, pay this money willingly or not?

A. They did not.

Q. 10. What, then, induced them to pay it?

A. I judge from fear of being discharged.

What greater indignity than this could be placed upon an American citizen, done too by the representative of the Government. If a private citizen did such an act with the workmen in his employ he would justly be held up to the scorn and contempt of his fellow-citizens. Under such a system it is no wonder that our Navy has gone backward of late years; and that it has, is shown by the replies of a large number of naval officers. I quote a sample from the reply of Rear-Admiral Jenkins, who says:

Fifteen or twenty years since we had the credit, and I think we justly deserved it then, of having, vessel for vessel, those superior to any in any foreign naval service of the same classes. Now, none so poor as to do us honor by offering us praise of anything naval, but for our discipline on board ship, exercises, cleanliness, healthiness of crews and officers, and of doing so marvelously well with our dull steaming, overloaded, and often ridiculously rigged (at the fitting yards) vessels. We are certainly very far behind most naval powers in our steam-machinery or the results from it. Want of speed and want of durability in our steam-marine engines and boilers are patent to every officer's mind who has been afloat and seen for himself foreign men-of-war.

Nearly all the officers who are familiar with the workings of the navy-yards testify to the baneful effects of politics in them. That it has been done by former Administrations is no excuse for the wrong done now. Let it be corrected, and keep the Army and Navy free from it hereafter; free from political control, that the people can always rely upon these two great arms of the service; free from political control, that their honor may never be tarnished, that they can at all times be relied upon to protect the interest of every citizen, without distinction of race, creed, party, or section. In the civil service let us have honesty, and capability in the administration of the affairs of the nation, a service that will deal honestly with all, from the millionaire to the laborer; let treaties made with the Indians be kept as sacred as any others, and we shall have fewer Indian troubles.

The plighted faith of the nation must be kept in the payment of its liabilities. Honesty and honor demand this, and the people indorse it. That this may be done, the strictest economy in the public expenditures is necessary, the funding of the public debt at the lowest possible rate of interest, and no further increase of the bonded indebtedness.

By act of Congress March 18, 1869, it was declared that—

The faith of the United States is solemnly pledged to the payment in coin, or its equivalent, of all the obligations of the United States not bearing interest, known as United States notes, and of all the interest-bearing obligations of the United States, except in cases where the law authorizing the issue of any such obligations has expressly provided that the same may be paid in lawful money or other currency than gold or silver.

This act was passed to settle the question as to what money the bonds were payable in, and no matter what individuals may think in relation to it, is the law, and we must abide by it, and it certainly was to the interest of the holder of the bonds giving them coin for what they had paid notes for. At the time this act was passed the standard silver dollar was one of the silver coins authorized by law and was a legal tender for any amount, and of course under the act just recited was receivable for principal and interest on the bonds; but gold commanded a higher premium than silver, and it was to the interest of the bondholder to get gold if possible. The question being already settled by the law of 1869, they dared not ask the people openly for a further concession. The silver dollar stood in their way and had to be disposed of. How it was done may be seen from the proceedings in Congress on the act approved February 12, 1873, which shows that a bill reported from the Committee on Coinage, Weights, and Measures to regulate the mints of the United States being before the House, the chairman, Mr. Hooper, of Massachusetts, offered a substitute, and on a motion to suspend the rules and pass it the following is reported in the Globe:

Mr. HOLMAN. I suppose it is intended to have the bill read before it is put upon its passage.

The SPEAKER. The substitute will be read.

Mr. HOOPER. I hope not. It is a long bill, and those who are interested in it are perfectly familiar with its provisions.

Mr. KERR. The rules cannot be suspended so as to dispense with the reading of the bill.

The SPEAKER. They can be.

Mr. KERR. I want the House to understand that it is attempted to put through this bill without being read.

The SPEAKER. Does the gentleman from Massachusetts [Mr. Hooper] move that the reading of the bill be dispensed with?

Mr. HOOPER. I will so frame my motion to suspend the rules that it will dispense with the reading of the bill.

The SPEAKER. The gentleman from Massachusetts moves that the rules be suspended and that the bill pass, the reading thereof being dispensed with.

Mr. RANDALL. Cannot we have a division on that motion?

The SPEAKER. The motion to suspend the rules cannot be divided.

The motion of Mr. Hooper failed.

Mr. Hooper then moved that the rules be suspended and that the substitute for the bill be passed, and that the substitute be read.

The Clerk began to read the substitute.

Mr. BROOKS. Is that the original bill?

The SPEAKER. The motion of the gentleman from Massachusetts [Mr. Hooper] applies to the substitute, and that on which the House is called to act is being read.



Mr. BROOKS. As there is to be no debate, the only chance we have to know what we are doing is to have both the bill and the substitute read.

The SPEAKER. The motion of the gentleman from Massachusetts being to suspend the rules and pass the substitute, it gives no choice between the two bills. The House must either pass the substitute or none.

Mr. BROOKS. How can we choose between the original bill and the substitute unless we hear them both read?

The SPEAKER. The gentleman can vote "ay" or "no" on the question whether this substitute shall be passed.

Mr. BROOKS. I am very much in the habit of voting "no" when I do not know what is going on.

Mr. HOLMAN. Before the question is taken on suspending the rules and passing the bill, I hope the gentleman from Massachusetts will explain the leading changes made by this bill in the existing law, especially in reference to the coinage. It would seem that all the small coinage of the country is intended to be recoinced.

Mr. HOOPER, of Massachusetts. This bill makes no change in the existing law in that regard. It does not require the recoinage of the small coins. On the contrary, I understand that the Secretary of the Treasury proposes to issue an order to stop the coinage of all the minor coins, as there is now a great abundance of them in the country. The salaries are not increased; they remain as they were.

Mr. HOLMAN. Is not the salary of the subtreasurer at New York increased?

Mr. HOOPER, of Massachusetts. No, sir; it is not increased.

And this bill which was passed in the House without being read, under a suspension of the rules, upon the assurance of Mr. Hooper, the chairman of the committee, that the bill "made no change in the existing law," had concealed in it in the section relating to the silver coins the fact that the standard silver dollar was dropped from the list of coins of the United States, and all that are there named are not a legal tender in sums above \$5. Thus was silver virtually demonetized, and the people deprived of its use in the payment of the interest on the public debt and the duties on imports, thus serving to keep up a higher premium on gold, which oppresses every interest in the country except the holder of the bonds. This was one of the boldest frauds that has been perpetrated by legislation against the interest of the people for many years, and the interest of the Government and justice to the people alike demand its repeal, restoring the standard silver dollar as one of the legal coins of the United States, and there is no legislation that can be enacted and carried out that will do more toward bringing the country to specie payments than this, and no one can say that it is not a just, honest, and fair measure to all.

Statement of the twelve regular appropriation bills for the fiscal year ending June 30, 1877.

Bills.	Department estimates.	Passed House.	Reductions from estimates.	Reductions from last year's bill.	As finally passed.	Amount last year.	Net reduction from estimates.	Net reduction from last year's bill.
Pension bill <sup>1</sup>	\$29,533,500 00	\$29,533,500 00		\$446,500 00	\$29,533,500 00	\$30,000,000 00		\$466,500 00
Military Academy <sup>2</sup>	437,470 00	269,231 00	\$178,239 00	105,509 00	290,065 00	364,780 00	\$147,405 00	74,675 00
Consular and diplomatic <sup>3</sup>	1,352,485 00	912,747 50	439,737 50	462,337 50	1,158,579 50	1,374,985 00	193,905 50	216,405 50
Fortification <sup>4</sup>	3,406 0 00	315,000 00	3,091,000 00	535,000 00	315,000 00	850,000 00	3,091,000 00	535,000 00
Legislative, executive, and judicial <sup>5</sup>	20,836,307 00	12,098,815 61	7,837,491 39	5,903,421 38	15,373,960 00	18,902,236 99	5,462,347 00	3,528,276 99
River and harbor <sup>6</sup>	14,301 10 00	5,872,850 00	8,428,250 00	7,710,667 50	5,000,000 00	6,433,517 50	9,301,100 00	1,643,517 50
Deficiencies <sup>7</sup>	3,723,471 70	671,436 74	2,051,984 96	4,032,212 44	816,723 56	4,703,099 18	1,906,748 14	3,896,375 62
Post office <sup>8</sup>	8,431,602 00	4,230,906 00	4,200,696 00	4,145,229 00	5,967,498 00	5,376,305 00	2,464,104 00	2,408,707 00
Naval service <sup>9</sup>	30,871,666 40	18,432,855 40	8,438,811 00	4,568,151 00	12,740,335 40	17,001,000 40	8,131,611 00	4,300,651 00
Indian <sup>10</sup>	5,787,995 60	3,970,602 11	1,808,393 49	1,300,952 44	4,670,117 02	5,360,554 55	1,117,878 58	600,437 53
Army <sup>11</sup>	33,348,748 50	21,179,819 59	10,168,928 90	4,754,010 48	25,987,167 99	27,933,830 00	7,361,580 60	1,946,662 10
Sundry civil <sup>12</sup>	32,560,475 29	14,857,326 54	17,703,148 75	11,787,023 55	16,357,905 47	20,644,350 09	16,202,569 82	10,286,444 62
Total	173,590,829 48	109,944,140 42	64,346,689 06	38,910,984 29	118,210,871 85	148,155,124 71	55,379,950 63	29,944,252 86

Date of passage of bills in House: <sup>1</sup>January 31. <sup>2</sup>April 10. <sup>3</sup>February 15. <sup>4</sup>April 28. <sup>5</sup>April 12. <sup>6</sup>May 17. <sup>7</sup>May 23. <sup>8</sup>June 6. <sup>9</sup>June 19. <sup>10</sup>June 23.

The net saving of \$29,944,252.86 makes an average of \$95,668.54 saved for every working day.

Mr. Speaker, I have in the foregoing statement given the dates on which the appropriation bills passed the House, showing that all were passed in time for the action of the Senate before the close of the fiscal year. As an effort has been made to charge the House with the delay, I think it but just that the facts should be known. The Senate failed to pass the bills in time, and only a few days since we received from the Senate for the first time the river and harbor bill, which passed the House April 10. The bills as passed in the House show a reduction from last year's bills of \$38,910,984.29, which would be a saving of \$124,316.24 for every working day in the year, certainly an amount worth fighting for by a continuance of the session to this late day. That the necessities of the country demand economy and retrenchment, I need only refer to the following from the daily paper of the city in which I reside, under the date of August 2. It says:

OUR UNEMPLOYED.

At this time it is estimated that there are at least one thousand unemployed workmen in this city, and additions to their ranks are being made daily by suspensions from the company's shops. In some departments of the shops scarcely any hands are at work, while in all the number of employes has been greatly reduced. Some of the idle ones are unable to secure work; others have gone out into the country and are working on farms, while others have taken their departure for the West. The number of vacant houses in the city is now put down at one hundred and it is reasonably estimated that the number will be trebled inside of two months. The condition of affairs now existing in our city is the most distressing with which our people have been afflicted since the first days of the panic. Wages are lower and fewer men are employed. There is less work to do and gloomier prospects than ever before. Rents and the general cost of living remain about the same. A not very pleasant prospect, truly, yet a very truthful one. It is the same all over the country. When the better days shall come, the idle hands be put to work, and the thousands of hungry people provided with food to appease their hunger. Heaven only knows. That it may come speedily is the prayer of all. We must not, however, allow ourselves, no matter how great our afflictions, to give way to melancholy and evil forebodings. No possible good may come to us from such a course. Let us bear patiently the ills we have and hope and vote (if we think voting will accomplish it) for better times.

This in a city which contains not over fifteen thousand people, and in midsummer, certainly shows a deplorable state of affairs; and those that have employment with their wages reduced so that it scarcely affords them a living and a further reduction of time on this of two hours per day, giving them only four and eight-tenths days' work and pay per week, which puts it out of their power to aid their fellow-workmen who are unemployed. I am advised that in the district I have the honor to represent ordinary day laborers are receiving only from eighty cents to \$1 per day; these men when wages were high and work plenty in former years received twice the sum of wages they do now. Why, then, should those employed in the service of the Government not be asked to bear a reduction of 10 per cent. when these men have been reduced 50 per cent.?

What says the Senate of the United States to this? They answer it is the law, and you cannot change it in an appropriation bill. Why, then, did they not frame and pass such a law as would permit the reductions? They could have done it in a bill of ten lines, and passed

it in almost as many minutes. The House thought the appropriation bill sufficient law for the year for which it was made, but would willingly have met the Senate in passing a bill which would suspend the laws for the year. The Senate failing to meet this, what conclusion does it lead to? There can be but one, and that is that they were opposed to the reduction. Why? Not because the condition of the country and the finances did not demand it, not because wages and salaries of citizens outside of Government service were as high as those asked to be reduced by the bill. There seems to be no other reason for not making the reduction than that they were not willing that the House should have the credit for the large reduction, lest it might reflect upon them, or rather the Administration for not making the reductions in their estimates for this year as well as previous years. Salaries have been advanced in appropriation bills in previous sessions of Congress, and this having been done, there seems to be only reason and justice that they should be reduced in the same way. The opposition members of the House evidently did not take the view of it taken by the Senate, as the consular and diplomatic bill passed the House almost unanimously, the vote being 190 to 2. The salaries under that bill, ranging down from \$17,500 in gold per annum, seemed a proper place for reduction, as the expense of living in almost all the foreign countries is greatly cheaper than our own. It may be possible that the fact that these gentlemen are mostly influential politicians had some bearing upon the fight made against the reduction of their salaries. The same might be said of the employes of the various Departments of the Government who hold the positions reached by the reductions proposed in the bills, no salaries being reduced except where they exceeded \$1,200 per annum.

If further argument is necessary to show the necessity for the reduction of expenditures, the following tables will show it:

Expenditures of the Government from July 1, 1865, to July 1, 1876, inclusive.

Year.	Total expended.	For interest on debts.	Civil service.	Pensions and Indians.	War.	Navy.
1866	\$590,750,940	\$133,067,741	\$41,056,961	\$18,853,416	\$284,449,701	\$43,394,118
1867	346,729,194	131,034,011	51,110,627	25,579,063	95,294,415	43,781,591
1868	377,340,984	140,424,045	60,011,018	27,803,069	123,246,648	25,775,562
1869	321,490,597	130,964,242	56,471,061	35,519,544	78,501,990	30,000,757
1870	369,653,560	129,235,498	60,234,017	31,748,140	57,655,675	21,780,229
1871	292,177,188	125,576,565	69,498,710	34,443,894	33,799,991	19,431,087
1872	270,559,695	117,357,839	60,984,757	35,595,136	35,372,157	21,249,809
1873	290,345,245	109,856,607	73,228,109	37,311,130	46,323,158	23,286,236
1874	302,633,873	107,119,815	69,641,393	35,730,876	42,313,927	30,932,587
1875	374,623,392	103,003,544	69,100,884	32,640,875	41,120,645	21,407,636
1876	293,166,177					
Total	3,599,469,985					

\* Amount appropriated.

Receipts of the Government from July 1, 1865, to July 1, 1876, inclusive.

RECAPITULATION OF NET REVENUE BY FISCAL YEARS.

Year.	Customs.	Internal revenue.	Direct tax.	Sales of public lands.	Miscellaneous sources.		Net revenue.
					Premium on loans and sales of gold coin.	Other miscellaneous items.	
1866.....	\$179,046,651 58	\$309,226,813 42	\$1,974,754 19	\$665,031 03	\$38,083,055 68	\$29,036,314 23	\$558,032,690 06
1867.....	176,417,810 88	266,027,537 43	4,200,233 70	1,163,575 76	27,787,330 35	15,037,522 15	490,634,010 27
1868.....	164,464,599 56	191,087,589 41	1,788,145 85	1,348,715 41	29,203,629 50	17,745,403 59	405,638,083 32
1869.....	180,048,426 63	158,356,460 86	765,685 61	4,020,344 34	13,755,491 12	13,997,338 65	370,943,747 21
1870.....	194,538,374 44	184,899,756 49	229,109 88	3,350,481 76	15,295,643 76	12,942,118 30	411,255,477 63
1871.....	206,370,408 05	143,098,153 63	580,355 37	2,308,646 68	8,892,839 95	22,093,541 21	383,323,944 89
1872.....	216,370,286 77	110,642,177 72	.....	2,575,714 19	9,412,637 65	15,106,051 23	374,106,867 56
1873.....	188,089,522 70	113,729,314 14	315,254 51	2,882,312 38	11,560,530 89	17,161,270 05	333,738,204 67
1874.....	163,103,833 69	102,409,784 90	.....	1,852,428 93	5,037,665 22	17,075,042 73	289,478,755 47
1875.....	157,167,722 35	110,007,493 56	.....	1,413,640 17	3,979,279 69	15,431,915 31	288,000,051 10
1876.....	148,071,984 61	116,700,732 03	93,798 80	1,129,466 95	4,029,200 58	17,456,773 19	287,482,039 16
	1,973,589,621 26	1,826,185,813 61	9,947,330 84	22,790,357 60	167,037,364 39	193,083,293 64	4,192,633,801 34

It will be seen from these tables that the net revenue has fallen from \$333,738,204 67 in 1873 to \$287,482,039 16 in 1876, a decrease of \$46,256,165 51, while the expenditures were for 1873 \$290,345,245, and appropriations for 1876 \$293,166,177, an increase of \$2,820,932. A business man or firm with such a state of affairs as these figures show would, if at all prudent and careful, at once investigate, and, if possible, make the income meet the expenses, and if at all doubtful, make the expenses less than the estimates. How was it with the gentlemen who manage the business for the Government? I find by reference to the Book of Estimates for the year ending June 30, 1877, page 176, that they ask for \$314,612,608 48 for the expenses of this year, being \$27,130,569 38 more than the receipts of the previous year. Now it cannot possibly be expected that the revenues will be more this year than last, as there has been a constant decrease since 1870; and it is so doubtful about the revenues more than meeting the reductions under the present bills that it is unsafe to reduce the taxation any, as it is impossible for any one to tell in the present distress what a year may bring about. For this reason the gentlemen who are anxious for a reduction of tariff were content to let it go over for another year, not finding the House or the country willing to bring further disaster upon the laboring and manufacturing interests of the country. In this they were wise. A well-regulated tariff that protects labor and brings the revenue so much needed now must always be a necessity and has ceased to be a question of section, and there is little danger of it ever being again made for

the benefit of the foreign manufacturer and against the interest of our own people.

I firmly believe it is the interest of all our citizens of every section that we should always have a protective tariff for every article we produce, thus giving employment to labor at remunerative wages and making a home market for everything the farmer produces, as far as possible exporting the surplus. Such a system will soon relieve us of the drain of gold, much of which we pay for what we might as well manufacture here. The South, now happily emerging from the disasters of the war and its results, wants a protective tariff more than the North. Its rice and sugar are now receiving more than any agricultural production. The coming presidential election will probably be the last of the political turmoils that have been such a drawback to its financial progress. Its people, without regard to race, are tired of it; people North, of all parties, are tired of it, and the party leaders on either side will get but little comfort from the people in any effort to make capital out of the troubles they would perhaps be glad to make for political effect. These troubles ended, her citizens left free to develop the resources of the country, there is no reason why they cannot manufacture their own cotton, iron, and everything their States produce, and, with time, protection, and capital become as prosperous as their neighbors; and every one who loves his country must deprecate any action that tends to engender any bad feeling between the white and colored races there, as they must condemn any wrongful or illegal action of either against the other.